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THE NEW ROAD

An Explanation of an effective System
of selecting Governments in keeping
with Present-day Conditions, and also
a critical Commentary on Existing Insti-
tutions to indicate the urgent need of
Reform.

BY

ERIC CAMPBELL



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TO THE NEW GUARD
AND
ITS SILENT ARMY OF SUPPORTERS.

PREFACE.

A man does not contemplate with equanimity the crumbling of the foundations of his home. He does not stand by and wait for the next storm to bring the whole house about the ears of himself and his family—he repairs or rebuilds.

A nation that sees the foundations of its free institutions being undermined is in precisely the same position. It, too, must either repair or rebuild. It is no protection if the people stand idly by and term their lethargy courage, and their impenetrability philosophy. And yet the period 1929-1934 has proved to demonstrate that our systems of government, of finance, and of industrial relations are useless relics of a different era, and are now but the tools of the two main elements of danger to modern civilisation—Bolshevik Revolution on the left; Capitalistic Involution on the right.

What we call Democracy bears no more resemblance to the free institutions conceived by its founders than the degenerate Knight Errantry ridiculed by Cervantes in "The Adventures of Don Quixote" bore to the spiritual enthusiasm that was manifested in the early Crusades.

These conditions are known to most men, but in Australia who will accept the responsibility of citizenship? Are we to court national destruction, "gradually, tentatively, mistrustingly, as one goes down a shelving beach into a deepening sea with a knowledge from the first of the dangers lying in that path, half courting those dangers, while seeming to defy them?" If not, who is to take on the task of building the nation so that it shall become strong enough to resist internal disintegration on the one hand, and foreign aggression on the other?

I see no champion in any class, or in any organisation, whether industrial or political. The record of our political parties leaves no hope in that direction. One can't, moreover, expect professional politicians to cut their own throats

—even in their country's cause. Employers' Associations and Employees' Unions as at present organised have no heart for national issues.

The returned soldiers have their minds cast back to the battlefields of Europe, or the campaign in Palestine, and the future of this vast continent is disregarded. These same soldiers fought with the utmost gallantry on foreign soil to help bring about victory, yet have utterly failed to exploit the success in their own homeland. The essential autocracy of an army at war has bred a soul-destroying tolerance of unnecessary autocracy in peace.

And then there is not a shred of hope to be gleaned from the mass of unorganised and inarticulate electors.

Obviously there is but one solution.

The vast numbers of my fellow-countrymen who do understand the problems, and who are prepared as realists to undertake with the zeal of Reformers the task of Reconstruction, must be organised politically. They must be rendered articulate. They must be forged into the machine tool, which will in turn create the Corporate State—the death-knell of Party Politics.

It is with this object in view that I have written this small book. For the sake of future generations may it receive earnest and sympathetic consideration.

For the rest, I write as an Australian of the third generation, and as one who is convinced both sentimentally and from a cold and unemotional consideration of the facts that Australia is the logical home of the British race. And more, that it is the duty, and it should be the pride and glory, of the present generations of Australians in close co-operation with Great Britain to make it so.

Should anyone justly feel that my strictures on things as they are are too severe, may I urge in mitigation, "I've done the State some service, and they know it!"

ERIC CAMPBELL.

Turramurra,

2nd December, 1934.

TABLE OF CONTENTS.

CHAPTER I. OURSELVES. Page 15.

But och! Mankind are unco' weak,
 An' little to be trusted;
 If self the wavering balance shake,
 It's rarely right adjusted.

—Robert Burns.

**CHAPTER II. EUROPE CASTS OUT THE
 PARTY SYSTEM. Page 29.**

Post-war problems brought a great part of Europe face to face with stark realism—Liberal Democracy proved unequal to the task of government. The masses, urged on by despair, had to choose a New Road. Lethargy proved no bulwark. They had two choices—the Materialism of Communism or the Spiritual Ideal of Fascism. They chose Fascism, and have cast out Party Politics once and forever.

**CHAPTER III. WHY A CENTRE PARTY
 IS INEVITABLE. Page 36.**

The "State Socialism" of both existing Parties has proved to be no solution. Both Parties are governed by secret minorities. Neither minority is representative of the people, nor has either any association with national welfare. The majority—the "Legion of the Lost"—must again assume control of our national destiny. Rally round the Centre. Form a Party to end Party.

CHAPTER IV. FASCISM. Page 49.

The spiritual and moral inspiration of Fascism is the Hope of Civilisation. Politically, it is the only possible evolution of Democracy. Industrially, it means Peace and Prosperity. Socially, it corrects the anomalies of Liberal Democracy, and brings Justice to all classes.

CHAPTER V. CORPORATIVISM. Page 58.

Co-operation in production is the keynote. Each group of industries must govern its own affairs, eliminate the interference of Government. If a Basic Wage, why not a Basic Dividend? Divide the surplus equitably between the three elements of Production. How the Corporate State functions politically.

CHAPTER VI. ASPECTS OF VOCATIONAL REPRESENTATION. Page 75.

New South Wales sends itself geographically to the Corporate State. Payment of Members of Parliament. Corporativism based on Vocational Representation destroys Party Politics once and for all and eliminates the twentieth century danger—Professional Politicians—The Upper House—The functions of the King's Representative—How the Corporate State could be organised.

CHAPTER VII. VOCATIONAL REPRESENTATION FOR NEW SOUTH WALES. Page 85.

How the Plan would operate—The new Electorates—The Grouping of Industry—The Articulation of Industry by the integration of the State's Activities—The Composition of the New Parliament.

CHAPTER VIII. UNEMPLOYMENT. Page 99.

Unemployment means "over-population," though not necessarily too much population. In Australia it means the inefficiency of government and too little population. The causes discussed—Solutions considered.

CHAPTER IX. AN INVITATION TO OUR GOVERNMENTS TO DO SOMETHING. Page 125.

Here is just one suggestion—with the authority vested in the Government—AND given sincerity of purpose, ten weeks are sufficient to commence the job in earnest—or know the reason why.

CHAPTER X. EMPIRE DEVELOPMENT. Page 130.

Unemployment is inextricably mixed up with the development of our resources. The development of our resources is dependent on British-Australian co-operation. The problems of Britain and Australia are equal and opposite. Therefore, we must closely co-operate for the solution of our respective domestic problems and for the Empire's welfare.

**CHAPTER XI. GOVERNMENTAL FINANCES
AND TAXATION. Page 136.**

"That blood already, like the pelican,
Hast thou tapp'd out and drunkenly caroused."
—"Richard II."

There is no difference in effect between a spendthrift individual and a spendthrift Government—It is small consolation to be robbed by a Socialistic Government rather than by a Despot.

CHAPTER XII. A CHARTER OF JUSTICE. Page 145.

The individual is entitled to protection against administrative and executive injustice. The basic principles of freedom are eternal—they do not alter with political exigency. A code of practical ethics—objective morality—must be drawn up to safeguard the rights of the individual.

CHAPTER XIII. FINANCIAL INSTITUTIONS. Page 150.

"Give Credit where Credit is due."

**CHAPTER XIV. OUR MASTERS—THE CIVIL
SERVANTS. Page 158.**

"Nothing extenuate nor set down aught in malice."

CHAPTER XV. OUR MISTRESSES—THE PRESS. Page 163.

The twentieth century Borgia has poisoned the world with printers' ink.

**CHAPTER XVI. NOTES ON THE PARTY
SYSTEM. Page 169.**

It has no relation to Democracy. It is an abuse of the British theory of Representation. It is the cat that pulls the chestnuts out of the fire for the Vested Interests of the Extreme Right and the Extreme Left. The system serves as a sop to the vanity of the politically ignorant individual. Its life-blood is the perennial incompetence of the masses. It is the curse of Australia.

CHAPTER I. OURSELVES.

But och! Mankind are unco' weak,
An' little to be trusted;
If self the wavering balance shake,
It's rarely right adjusted.

—Robert Burns.

About the end of August, 1918, the Australian Corps which was then operating over the open downs of the Somme had pressed back the Germans from the neighbourhood of Proyart, and had occupied a line east of Faucaucourt, on the raised plateau that stretches between that village and the Somme canal.

Immediately across the river lie the city of Peronne and the town of Brie.

Just before reaching the river, the plateau falls away sharply and affords an excellent view of the rolling country lying to the east and south of Peronne.

While our infantry were fighting their way across the plateau, I was in command of an artillery advance guard which had been assigned to it the task of closely supporting the infantry, and of rendering all necessary assistance in the disposal of unexpected hold-ups in the way of machine guns or light field artillery. The job was an interesting one because, in addition to being an auxiliary to the infantry, the high ground and good visibility afforded unique opportunities of getting a shot at what the gunner always sighs for—"fleeting opportunities."

On the particular day I have in mind my battery had been in action all day in the vicinity of Villers-Carbonnel, a village that was more brick-dust than brick. Just about sunset I rode back to contact with Brigade Headquarters. (The brigade, incidentally, was commanded by my friend, that gallant and brilliant soldier, Brig.-General (then Lieut.-Colonel) H. W. Lloyd, C.B., C.M.G., C.V.O., D.S.O.) On my way I met numbers of transport animals either being taken to or being brought back from water. The Fau-

caucourt plateau had been fought over in the days of 1915-1916, and was honeycombed with old trenches, crumbling and weed-covered. There was, in consequence, practically no water for man or beast, and what little there happened to be was verboten lest it should have been poisoned. Therefore, to water the transport animals that were in the forward area it was necessary to take them about three miles to the Somme, where that river was running through territory held by us.

As I rode along on this particular bright early autumn evening, growing wearied of the constant stream of traffic on the narrow path, I set off across country in the direction of my destination. Almost immediately after leaving the road I came across an ammunition column driver with two weary-looking mules. All three were halted before a large, muddy puddle. The water was brown, and had a scum of dust. The driver was endeavouring to persuade his mules to drink. No doubt he was anxious to avoid a trek to the river. The mules, however, weren't at all enthusiastic, but merely sniffed the muddy water rather disdainfully. Just as I passed, the driver gave his charges a look of withering contempt, and said in a voice of mingled querulous lament and pathetic appeal: "Drink it, you bastards; it's COCOA."

Now, the water did look like cocoa, though admittedly in a peculiar place for that beverage to be, unless it was left over from a giant's picnic. But it is to the reaction of the mules that I wish to draw your attention. Did they listen to the voice of the charmer who had his own comfort in view rather than the well-being of his animals? Did they obediently drink the polluted water to their own undoing? Not at all. These poor creatures, the outcasts of the whole society of army animals, the offspring of a loveless union, designed to be the bearers of burdens, the products of an unorthodox mating, without even the power of procreating their own species, put by comparison the free electors of Australia to shame. They used the evidence of their own senses. They used what instinct and small intelligence a merciful Providence had vouchsafed them. They did not drink. The offside mule pricked his long ears, and raising

his head, emitted that ear-splitting sound such as appears to be the custom of the breed in moments of extreme boredom or unbelief.

The nearside mule let his head sink and his ears flop, one up, one down, and closed his eyes as though snatching a well-earned forty winks. But when his driver, in disgust, approached him to lead the pair away, this nearside mule, with the wonderful facility of its kind, let out a well-directed kick, and the driver sat with a splash in the middle of that very puddle he had so misrepresented. Tableau!

"Drink it; it's cocoa!" says the politician, with his tongue in his cheek, when addressing suburbia, as he proffers the polluted draught of a party policy. "Drink it, you poor wage-plugs; it's cocoa!" says the Marxian Socialist to his Friday night audience, as he asks them to swallow the bilge he offers.

And in each case they drink, and thereby demonstrate the superiority of the mule.

But it is not only politically that we need a spring cleaning; rather, it might be argued that our political degeneracy is but the result of other social weaknesses, which in turn are the outcome of individual slackness. Be that as it may, there can be but little doubt that, having been so firmly established, our present institutions, while they are allowed to exist, destroy any hope of regeneration.

Australians to-day are certainly not an admirable people, yet in their supineness they remain smug, gullible, and self-complacent. Their lack of spirit is possibly due to a conviction of the impossibility of changing conditions for the better. This conviction most probably is the outcome of the continued experience of party politics and the manner in which the system consistently smothers articulation by the people, particularly the taxpayer.

Why we are smug heaven knows. It is hard to explain beyond saying that smugness is ever symptomatic of ignorance.

It might possibly be explained in part by the fact that we are loafing on two traditions that no longer exist in our national character. The first tradition was made by the early

pioneers. They gave to Australians the reputation of self-reliance, grit, initiative, and individuality. Their lives and achievements are eloquent testimony that they possessed all these qualities.

The young pastoralists, though unquestionably the best class of Australian manhood, collectively speaking aren't a patch on the older generation, which is fast disappearing.

They may know more about sheep and pasture improvement, their homes have electric light and refrigeration, and they themselves ride about in motor cars. But they are not content to be individuals guiding their lives by a simple, if rigid, philosophy. The modern grazier is one of a herd—he is fearful of the opinions of others, and is rather apt to abandon the sturdy independence of his kind.

Then, again, he is in many instances suffering from an inferiority complex, a disease which follows on a bite from an insect known as the "social" bug. As a consequence, the well-established standards of country gentility often disappear in favour of an ape-like imitation of the more objectionable city customs.

It is also to be regretted, generally speaking, that culture of mind plays but little part in the make-up of the younger grazier.

The grounding of the Great Public Schools is seldom built on, and even what fragments are vaguely learnt in adolescence are soon forgotten in the atmosphere of blow-flies, grass seeds, and fat stock prices.

The second tradition is that of the Australian Imperial Force in the Great War. Here was won a tradition of courage, endurance, co-operation, and chivalry.

Its gravestone to-day is a rather ugly pile of masonry in Hyde Park, Sydney, rendered all the more unsuitable by its nearness to the grace and beauty of the Archibald Memorial Fountain. But its setting is symbolical. The huddled, hopeless forms of the down-and-outs who occupy the park benches in its vicinity create a suitable surrounding atmosphere. I think the whole memorial is a work of genius. It typifies with amazing exactitude the measure of our gratitude for the sacrifices of our soldiers. "Put up a tombstone

—let fall an emotional tear—and go to the pictures!”

The contemplated Pool of Memory, too, is in similar taste. From its opaque surface we will get a true reflection of our national pride, if orange peel and cigarette ends do not silt it up completely.

To finish the picture, two touches must not be forgotten. One is that the Memorial, having been commenced, could not be paid for by a protestingly grateful people. The other, that its foundation-stone was laid by a man who, though of military age and apparently still in good enough condition to make a cannibal's mouth water, obtained his knowledge of the war from the daily Press. (“What private griefs he had—alas! I know not.”)

A tradition dies when its real inspiration ceases to occupy a place in the hearts of the people. Our traditions are dead, or, shall I say, sleeping? At best we have just now what Ruskin called “a jackdaw sentiment for Cathedral towers.”

Our national character in commerce is not satisfactory. Take, first of all, our exported products, other than our main primary staples. In every market we have attempted to exploit we have proved ourselves in many instances unreliable. Go to the East and enquire about Australian goods. What answer do you get? Stories of inconsistency in quality and quantity. Go to England, and you find the same opinion, borne of bitter experience.

Many an article you buy in Sydney, the product of our secondary industries, displays dishonest workmanship and skimmed material, and probably faulty design. “Anything will do” is the slogan that permeates our industrial fabric.

It is passing strange that this outlook should persist to the extent it does when we are largely Anglo-Saxon in blood. One would have thought, despite the geniality of climate, the easy living conditions, and the admixture of so large a proportion of Celtic Irish blood, that our national character would have been more dominantly British—honest, independent, reliable, and fair.

The boast that we are British is an illusion of the past that is dispelled in the light of facts.

That we are not British in character is demonstrated by our susceptibility to the more vulgar Americanisms. We are receptive to "American talkie" atmosphere, to that country's political unscrupulousness, and the sham culture of Hollywood finds ready, if somewhat ridiculous imitators, in every class, while those things which we could with advantage learn from the United States never cross the Pacific. Even in entertainment, American negro music, with its coarse, phallis qualities, pleases the ear and awakes the fancies of young and old alike.

It is true that the ancient Greeks raised statues to Priapus, but this was done as a symbolic recognition of an elemental fact rather than as a stimulation to illicit sexual excitement.

Our national character is out of balance. We follow names rather than qualities. Right and wrong, as abstract ideas, do not worry us; but what is called Right and Wrong does.

Our outlook and reactions are inconsistent. On the one hand we publicly encourage gambling in the State Lottery, and on the other inflict heavy fines, and, in default, impose severe sentences of imprisonment because two men outside a racecourse bet each other a few shillings as to which horse will win a particular race.

The first is excused because of the benefits derived by the hospitals from public thriftlessness, and the second sanctioned on the ground that gambling is contrary to morality.

The sleuths of the C.I.B. smell out and ruthlessly raid and arrest a few coolie Cantonese innocently passing the time by indulging in a game of pak-a-pu, while games of skill and chance are features of public entertainments in aid of charitable objects, and even the same sleuths sell tickets to the public for the Police and Firemen's Art Union.

In commerce we expect foreign nations to buy our produce at top prices, but deny them the right to offer their goods to us except on terms that render it impossible for them to do so.

It is our habit to brag about being "free Australians," and at the same time to restrict our liberty at every turn by

absurd laws, and to hand over any "free citizen" who makes good, bound hand and foot, to State and Municipal Commissars, with free liberty to rob him in the most unconscionable manner.

We display slobbering sentimentality in certain cases of hardship and unemotional indifference in others. Because a mortgagor borrows he is deemed to be poor, and because a mortgagee lends he is deemed to be rich, whereas the reverse is often the case. We mourn Dollfuss, a dictator who maintained his position by the ruthless murder of his political enemies, the nominee of the clerical interests, and revile as a usurper Hitler, the constitutional head of his people, and who demonstrably enjoys the overwhelming confidence of the German nation.

The individual is bound by law; the Government Bureau is a law unto itself. The divine right of Government tax collectors permits them to exercise, in the name of the Crown, discretions and authorities out of all consonance with morality or substantive law, and which in a virile people would lead to open rebellion.

The Royal Empire Society, with its big name and little heart, is about the most futile negation of its declared objects that it is possible to imagine. Granted that its membership includes our best, many of whom do their utmost for good; but, generally speaking, it is in the hands of a mixture of the "unco guid" and the socially ambitious, and it pretends to discharge its duty with periodical lunches and lantern lectures, while certain of its more prominent members find the association a convenient stepping-stone to elevation to the Knightage of the British Empire. Whenever I think of a K.B.E. I realise we have lost our national sense of humour.

Apart from the members of the judiciary, or the Army or Navy, and an odd member of the public, who have without doubt really "won their spurs," and lend a degree of dignity to the Order, it is, generally speaking, a screaming farce.

In politics we are both gullible and lazy, and we leave the science of government, the direction of national affairs,

the development of a mighty continent, involving, possibly, the future of the British Empire, to a band of professional nonentities, a bunch of degenerate gladiators who provide both amusement and disgust to the public with their sham fights, wherein they employ wordy invective in the place of real weapons—a band that is content to be the hirelings of the Old Gang of the Right or the professional tricksters of Goulburn Street, according to which livery they happen to be wearing for the time being.

We are content to be bullied by a bureaucracy almost unparalleled in history for its insolence and incompetence, and which many times each day disregards in its hopelessly inefficient administration every canon of English freedom.

To a marked degree we have the fondness of a slave for his bondage, and resent efforts, however well directed and logical, to break the shackles. We look out through the prison bars we have helped to construct, and in the open spaces beyond see nothing of freedom, but only the canary-like horror of life without a cage.

Should we so much as observe a would-be deliverer outside, we set up a howl and aid the warders to add yet another inmate to the State Penitentiary.

At the same time, we like to imagine ourselves as typifying the independence of the golden eagle.

To what extent is the daily life of the masses regulated by Christian ethics? The answer is: In no way whatever.

The nearest approach to religion in the masses is a form of sentimentalism, a mere pandering to the primitive emotions, without standard other than self-indulgence and without ideal other than a dominating desire for popular acclaim.

Naturally, the spirit of self-sacrifice and self-denial inseparable from the Christian ethic could not possibly commend itself to a community so slack as ours. Such austerities are shunned where all want to get and none want to give. The State Lottery offers an example of Australia's citizenship: Put in five shillings and pray to the Almighty you will draw out five thousand pounds. In politics, this spirit of morbid sentimentalism finds expression in social

services or the theft from the thrifty to make gifts to the lazy and feckless.

Probably the worst ill Australians suffer from is a chronic inferiority complex. It affects all classes. Its most usual symptom is the imitation of those who appear to be one rung higher up the social ladder.

In social life, the qualifications are money and notoriety.

It is this cursed spirit of imitation that is such a calamity. It is most apparent among women. As in all so-called democracies, social snobbery in Australia is more intense, and class-consciousness probably more defined, than in any aristocracy in the world's history. But with this difference, our class-distinction does not arise from a natural pride at being the offspring of a line of good-living, cleanly-bred, intelligent ancestors, distinguished by gallantry, patriotism or other virtues. Our one and only test is material wealth, which fulfils the popular conception of gentility.

It is convenient for most to forget their forbears—"that is, supposing that they have any."

There are plenty of people of good birth and high standards in Australia, but they are not a class, regulating their actions by a code of behaviour, and therefore have but little influence. The remnants of the descendants of the cultured and elegant class that graced the Colony when it was an infant State are to a large extent scattered through the warp and woof of the community. The representatives of the upper classes that have from time to time settled in Australia have kept largely aloof, yet have suffered with an unworthy tolerance, particularly of recent years, the products of social degeneracy to come in the front door as favoured guests.

So many members of so-called "Society" (a term indicating a hundred and one cliques of various types and standards) are disappointing. Divorced from the glitter and stimulus of a cocktail party, they haven't an idea in their heads.

"Social climbing" may be an absorbing pastime for those who engage in it; it is certainly a source of unflin-

amusement for those who observe it; but, both nationally and imperially, it is a liability and a menace. It is as dangerous to the nation as the "holier than thou" attitude of a number of prominent people who have found "good works" and public donations a convenient form of absolution for commercial craftiness or political crookedness.

Side by side with this inferiority complex is its natural ally, the fear complex. As a result, Australians are a timid people, always fearful of consequences, irrespective of whether the results follow in doing right or doing wrong.

It, too, pervades all classes, and all alike shrink from the cause of right for fear of the consequences.

All these comments on us as a people flow from my earlier statement that we are not a people to be admired in this year of grace 1934. I say what I have said from conviction amounting to certainty that I am right. I say so with the keenest disappointment, because, being the offspring of four pioneer families, I am so jealous of the good name and character of Australia. Of the whole of our institutions, there is one only that measures up to specification, and that is the Judicial Bench—the last relic of the Rule of Law and British Fair Play.

In the Great War, Australian manhood was an object lesson to the world in all those qualities we now so palpably lack. That is to say, Australians, removed from the enervating materialism of civil life, inspired with the ideal of a noble objective, and subjected to discipline, proved themselves more than equal to the world's best.

Post-war neurosis, gross materialism, and the effects of Party Politics, have brought us to the present low level. Too many of our young men to-day are like emasculated tom-cats, well-grown, sleek—but spiritless.

If a regiment is ill-officered, badly led, and inefficiently administered, one says, "It's a rotten regiment," and so it is!

And though the statement is sweeping, correct and definite, no one would even suggest that it would amount to a condemnation of every man comprising it. On the contrary, the majority are in all probability excellent

material, and individually well up to standard. With a change of command bringing about inspiration, discipline and efficiency, the rotten regiment can be turned into a crack regiment.

So it is with Australia. We are a rotten regiment at the moment under the hopeless leadership of General Party Politics, and his lieutenants, Party Press and Class Bitterness. There is neither inspiration nor discipline, nor is there either national direction or objective morality.

The mere mention of discipline is apt to create in the average individual an immediate reaction of opposition.

The word seems to conjure up for him an idea of compulsion and of duress. It would appear that the ordinary mind fails to realise that the training of the physical, moral and mental powers by instruction and exercise, i.e., discipline is essential in the cause of freedom, whether the objective is individual freedom or national freedom. Discipline should breed respect for justice as an ideal and active opposition to wrong-doing, whether or not it conceals itself under a mask of authority.

Army discipline is, after all, only the authoritative disapproval of any act not calculated to advantage the force as a whole, and it is, as a rule, but a reflection of the standard of the people, though, as a rule, more sharply defined. The discipline of the British Army is almost identical with the interrelation of individuals in the estate of an English county family.

As civilisation progresses, and as our social structure becomes increasingly complex, so the need of national discipline also becomes more and more acute.

In other words, to have individual freedom there must be national discipline, and, conversely, to attain national freedom there must be individual discipline.

This latter is nothing more nor less than a readiness to be bound by the "do's" and "don't's" of objective morality.

Every code of ethics imposes a discipline. It is the first step from savagery to barbarism, and its sanctions have become increasingly demanding as the mind develops from

barbarism to civilisation.

Our comparative ascendancy in sport is an admission that in recreation, at least, we acknowledge and practise discipline.

Just as the football team or the surf team must undertake a course of training and exercise in order to qualify it for harmonious and effective action, and its individual components must exercise self-restraint in their personal habits in order to co-operate efficiently, so must the nation and its individual members in like manner cheerfully submit to objective morality in order to excel in the national ambition which should be moral advancement, the mental development and the physical well-being of the people.

x Confirmed individualist that I am, I cannot conceive that the sum of individualistic aspirations, directed almost entirely in each case to the material gain of each individual, can ever create a national spirit of patriotism, or evolve a nobility in national ideal.

This is the function of the State representing the highest aspirations of the people—a State not apart from the people, but selected by the people.

Unless there is a traditionally responsible upper class, then, given a system whereby the public can give reasonable articulation to their ideas, the standard of a governing body can only be equal to that of the people as a whole.

That is why, when I look at Macquarie Street and Canberra, I am apt to become somewhat pessimistic as to our future. But my comfort is that, though the Party System stifles articulation, we are, in fact, merely working up to a point where the better qualities of the people will give them the moral strength to break the strangle-hold, and demand sane rule in Australia.

Wise policies are futile, plans so much waste paper, unless the morale of the people is worthy of them. Inspired leadership is always essential, but its inspiration is of no avail unless it is vital enough to kindle a ready and zealous response in the hearts of the citizens. A flock of sheep cannot be led; it must be driven. The structure of the Corporate State, to which I refer in some detail, is designed

to create civil morale and political understanding by allowing the individual to express himself in matters of government in a measure harmonious to his national importance. But structure in itself can do very little. Similarly with policies and plans—these, in democratic forms of government, depend on the co-operation and honesty of purpose of the people. In an autocracy, popular support can be compelled.

Our slave-like community places its faith in a theory, or a policy, or a plan, to get it out of its troubles.

We fail to comprehend that it is the quality of mind and moral outlook of the individual that is all-important; that structure or form in government is at best machinery; that a policy is but the means chosen to gain an end—of themselves next to nothing without the backing of the people. To what avail is it to a degenerate and profligate democracy that it adopt a plan involving the practise of thrift, self-denial and an austere code of morality by each individual? Any reformation must commence with the individual raising his own standards of conduct, though, admittedly, the desire to do so can be inspired by leadership.

Australians can take to heart the particular application of these abstract propositions, for we will never be saved by the Premiers' Plan, the Lang Plan, or the Douglas Credit Phantasy, or any other plan, even were they models of wisdom (instead of the subterfuges they severally are), until we are each of us prepared to purge our individual characters of the appalling weaknesses that have become so apparent of recent years, and, above all, to reassert our courage.

I do not mean the physical courage to fight burglars at the dead of night; but the moral courage to face facts in the light of open day, the courage to do what is right, disregarding of consequences.

My view of objective morality is that an act is right if, in the sincere positive belief of the doer, it is right. I believe that one is likely to find in the conscience of the average decent citizen a clearer reflection of divine conduct than in the sophisms of the most brilliant casuist.

Our curse to-day is that we never trust our consciences. We set our course by the calculated effect of any action on

ourselves and how it will be regarded by our friends. Thereupon, with the infinite resource of man to deceive himself, we persuade our consciences to fall into line.

Until there is a moral regeneration in Australia, bringing in its train virility and the will to conquer our own national destiny, we must remain an insular people, provincial in outlook, satisfying our smug complacency by a clown-like imitation of the manners of distant nations, until we are dispossessed of our heritage by others more worthy of it.

At the beginning of this chapter, I spoke of the Anzac Memorial. When the scales have fallen from our eyes, we will realise that there can be only one fitting memorial to Australia's worthy dead, be they pioneers or soldiers: that is, the continent of Australia itself, conquered by the pioneers, saved by our soldiers in company with the rest of the British arms. Here, indeed, is a lasting memorial: not a pile of bricks with four portals leading from nowhere to nowhere; but something that not only can endure as long as the Earth itself, but provide happiness and the means of life to millions of our race—a memorial that will ensure the supremacy of the British Empire for all time.

The Memorial has been constructed by Divine Providence. It is for us to erect a Citadel that will guard and protect it. That Citadel must be erected in the hearts of a grateful people; its foundations must be understanding, justice, courage and enterprise, its superstructure endurance and determination, and its coping-stone the spiritual interpretation of all things.

With such a Citadel, we can justly feel that the work of those who have gone before has been well and truly done and that their memorial will endure for ever.

And let the Pool of Memory be symbolised in our minds by our undying gratitude to those who have made the Memorial possible, and, when we search its depths, may we see reflected therein the clear-cut images of all those great men who through the ages fought, bled, and died for the ideal of British freedom.

CHAPTER II. EUROPE CASTS OUT THE PARTY SYSTEM.

Post-war problems brought a great part of Europe face to face with stark realism—Liberal Democracy proved unequal to the task of government. The masses, urged on by despair, had to choose a New Road. Lethargy proved no bulwark. They had two choices—the Materialism of Communism or the Spiritual Ideal of Fascism. They chose Fascism, and have cast out Party Politics once and forever.

The last decade has been remarkable for shattering the nineteenth century conceptions of the ideal form of government of men in communities.

It was thought in the days of our grandfathers, the age of doctrinaire democracy, that the problems of political institutions had been solved once and for all. So they had been, had conditions remained static. Politically, the spirit of our institutions has been destroyed by the extension of the franchise and by the progressive growth of the party system. I do not suggest that the extension of the franchise was unjust; on the contrary, I believe that every citizen in a properly governed community has the right to express himself politically, in the ratio of his national importance. The disadvantage of the universal franchise lies in the fact that it has turned the theory of representation into the fact of minority selection and mass election, the careful choice of rulers into mere mob impulse. More than that, it enabled the unscrupulous to gain power by playing to the cupidity and sentiment of the irresponsible. It should also be remembered that there was a close and frank liaison between the early political parties and the industrial vocations—the one was representative of the other. One man one vote has widened the gap between industry and politics, and has replaced the community of interest arising from the vocation by the introduction and development of unreal and artificial

class consciousness.

It is, I believe, not unfair to state that, as a result, the quality of political leaders has degenerated in the ratio of the extension from time to time of the franchise.

Nevertheless, cutting out criminals, weak-minded, and those who live on public charity through age or infirmity, I support the retention of the universal franchise, provided that the people express themselves through their vocations, and not as unrelated isolated individuals in regional areas.

The growth of population, the ever-increasing complexity of the social and industrial structure, and the technicality and diversity of the problems of modern government have each tended to weaken the grip of the electors on their members, so that with the payment of members politics has become a trade, and, in the words of one economist, "a vile trade at that." Speaking of payment of members, in England originally the politicians' expenses were a charge on the constituency, and not on the public revenue, and in this respect an Australian Corporate State that I advocate does not enunciate anything new.

With the advent of the professional politician and the strengthening of the bonds of party discipline, democracy as a form of government was finally laid to rest. Its name was retained with which to bewilder the elector, but the ideal removed itself to the academic atmosphere of universities for undergraduates to learn and promptly forget.

Many references will be found to Party Politics throughout these pages, and just at this moment I will content myself with this comment: Not even the most sincere protagonist of the system dare put his case on the ground that it is democratic in theory or in practice, or that the system has the most remote relationship with the ideal or operation of democracy; at best, it would have to be argued that as an autocratic or oligarchic governmental organisation it has merits, and then on that ground it would be a matter of extreme difficulty to make out even a *prima facie* case.

This also might be said: It is to the extreme drabness and unromantic aspect of the party politician that we must offer our thanks for seeming peace during the reign of the

tyranny of the tax-gatherer, the symbol of party politics. If Louis of the French Revolution had been guileful enough to have quitted the magnificence of Versailles and the regal dignity of the Louvre, and taken shelter in the solid but uncultured comfort of a Parisian suburb, and proclaimed that he was of the people and that his father was a unionist, he could have continued to extort money from the people till further orders; and, more than that, the French Revolution would never have happened.

The amazing success of the imposture of the Party System, in its pose as a democratic institution, has been the inconspicuousness of its Parliamentary leaders.

In viewing the appearance of a prominent politician, with his ill-cut clothes, his uncultured mind, and his ill-educated outlook, John Citizen remarks, "He is one of us!" little dreaming that he is a mere chess man, to be moved hither and thither at the whim of Big Business or Goulburn Street, according to whether his colour is black or yellow.

Michell says that the strength of the Party System lies in the perennial incompetence of the people. There is the same thought in Voltaire's *Oedipe* where it says: "Our priests are not what simple folk suppose; their learning is but our credulity" (Act. iv., Sc. ii.). Substitute "politicians" for "priests," and the reference is as true to-day as when it was written in 1718.

The late 19th century saw the assumption of control of politics by vested interests, and the electors, the freemen on which British culture is based, gradually relegated more and more into the background.

The electors, however, are still an integral part and an essential element of the present-day politics, for without the farce of the triennial appeal, the fact that democracy had been replaced by an oligarchy, ruthless and material, would be common knowledge, and the indignation of the people would soon destroy it.

The universal franchise is the lamb's skin which covers the wolf of Party Politics. Any imposture will succeed for a certain time, and the period of its success will depend on the ingenuity of the idea or the obtuseness of the victim.

This is only another way of saying, "You can't fool all the people all the time." The Party System will remain in control in Australia until a majority of the people refuse to be fooled by it any longer. Whether this will be brought about over a long period through education and understanding, or in a very short time through adverse economic conditions revealing the system's injustice and inequalities, and causing it to break down under the weight of its own sins, is at best a matter of speculation. As things now are, it is systematically evolving Communism as its successor.

Apart from academicians, the people of both Great Britain and Australia prior to the war disregarded the capture of Parliament by minorities, because prosperity created a general tolerance. There was no need to seek for a scapegoat; after all, Parliament appeared very much the same as ever it was; it was opened with the same ceremonial, its procedure was identical with that of the past, and once every three years there was the appeal to the people. The change was unnoticed; but then neither change nor decay in their early stages are as a rule observed, and it is only when they have secured a grip that the fact is remarked.

The exigencies of the world war diverted men's minds from a critical contemplation of governmental institutions at home, and turned their thoughts to the immediate problems of their country while the stupendous flow of war-time currency kept them away from issues economic or political. The general neurosis following immediately on the Armistice and the world depression a few years later, notwithstanding the suffering following in its train, have not as yet wrought any real changes in the political sphere in England. True it is that there is a widespread dissatisfaction with things as they are, and a certain receptiveness to new thoughts and ideas, and eyes are cast with a regard of admiration to the achievements of Corporate Italy. The attitude of a large section of informed thought may be summed up in the words of Sir Arthur Salter:—

"The task is not to find a middle way, but a new way, to fashion a system in which competition and individual enterprise on the one hand, and regulation and general planning

on the other, will be so adjusted that the abuses of each will be avoided, and the benefits of each retained. We need to construct such a framework of law, custom, institutions, and planned guidance and direction that the thrust of individual effort and ambition can only operate to the general advantage. We may find a simile for our task in the arch of a great bridge so designed that the stresses and strains of the separate blocks which constitute it—each pushing and thrusting against the other—support the whole structure by the interaction of the reciprocal pressure."

Once the Briton gets over his traditional dislike for things foreign (even to names), he will, with his genius for self-government, adapt Fascism to the national temperament and create a new model of Parliamentary government which will strengthen and revitalise the Mother of Parliaments.

To date, despite his uneasiness, the same Briton is clinging to such small shreds of the Rule of Law as remain in a country that is fast becoming Socialised.

The saddest feature of the imposition of extreme taxation in England to meet the ever-increasing Social Service commitments is the annihilation of the upper classes and, particularly, the county families. It is not only the fate of the individuals that is tragic, but what is far more serious is the national loss sustained by the virtual disappearance of the class from the social structure, a class independent but seldom wealthy, that has for centuries been the worthy guardian of British tradition and the recruiting ground for the Navy, the Army, and the Civil Service. Their estates, small and large, are passing to new owners of an inferior type, the successful products of class legislation.

Then, again, since the war the problems of Great Britain have not in the main been matters of local government.

Her worries have arisen from the advance of manufacturing in other countries, and internal problems have been the direct result of the contraction of world markets.

The era of political reform is to my mind fast approaching in Great Britain, and in the meantime her great mental and monetary wealth is enabling her to carry on with charac-

teristic courage and good humour.

On the Continent of Europe, however, after the war the situation with all nations other than France was vastly different from that of England. The re-subdivision of Europe on President Wilson's principle of self-determination soon produced results. The delineation of national boundaries on the result of plebiscites, in which subject peoples predominated, disregarded the economic considerations, sometimes centuries old, and the principle of self-determination was early shown to be a fallacy. New problems arose out of the Peace. The struggle for existence became intensified. There was never more need of wise government and economic administration. The institutions that arose out of the era of liberal democracy were put on trial. In Italy they failed; they failed in Germany and Austria, not to mention lesser countries. Weak government succeeded weak government in each of these countries, and problems were not even tackled, let alone solved.

The political middle class, the bearer of its country's burdens, the chopping-block of sectional interests, grew thoroughly fed up, and at last, like Balaam's ass, spoke, and not only spoke, but acted.

In a few short years considerably over a hundred million of the cream of Western civilisation have cast off the yoke of Party Politics, and are, with heads held high and inspiration in their hearts, evolving new systems of government in keeping with their needs and in conformity with their ideals.

Italy was supremely fortunate in having at hand a genius, in the person of Mussolini, to personify and give form to the aspirations of the people.

With a heart pulsing with sympathy and understanding, and yet with firmness amounting to ruthlessness, he transformed the vision into reality.

The revolution was succeeded by an era of reconstruction, based on spiritual revival and moral regeneration. Plans were laid from which are now emerging institutions that give practical effect to the Fascist principle of representation for all, domination by none.

Fascism in Italy prevented the Communist domination of that country; Fascism in Germany saved the world from Communism. Whatever may have been Germany's war guilt, she more than squared her account in 1933.

The power of both Mussolini and Hitler lies in that they each succeeded in organising, leading, and gaining the confidence of the political middle class, that great "legion of the lost," under liberal democracy.

And so liberal democracy is dead for all practical purposes in Europe to-day. It never has really existed in France, for, despite its republicanism and its cry of *Liberte, Egalite, Fraternite*, the military and civil subjection of the people to the Government speaks more of autocracy than democracy, and, moreover, the Frenchman is far too logical in mind to put up with the absurdities of our political clap-trap.

It is useless to attempt to minimise the immensity of Europe's twentieth century political revolution. What it took centuries to attain in the eras of the Renaissance and Reformation has been accomplished almost in a decade.

It was brought about with the support of the people, and must, therefore, have the approbation of all true democrats. It is a forward move in the evolution of the human race, and I speak as one who has been in Italy, Austria, and Germany, and who has studied conditions at first hand.

How long the new system will continue is largely a question as to how long the people actively control their own destinies. It is being built on foundations of morality and justice, and so long as those principles guide the elevation of the superstructure all will be well.

One thing is clear—liberal democracy has gone for ever. It occupies its allotted space in the graveyard of dead government systems. Its epitaph might well be: "Its youth was brilliant; its maturer years were despicable."

In a few words, this vast change in the political structure of Europe is neither more nor less than the triumph of the middle class.

CHAPTER III. WHY A CENTRE PARTY IS INEVITABLE.

The "State Socialism" of both existing Parties has proved to be no solution. Both Parties are governed by secret minorities. Neither minority is representative of the people, nor has either any association with national welfare. The majority—the "Legion of the Lost"—must again assume control of our national destiny. Rally round the Centre. Form a Party to end Party.

During the days when the gentle Mr. Lang was last Premier of New South Wales, the New Guard was content to limit the scope of its activity to organising for the protection of the State against the possibility of Communist disruption.

It took no part in politics. Its major objective, "Sane and Honourable Government," it was assured by party leaders, would be attained by standing behind the United Australia Party.

That Party undertook, through its leader, the Hon. Mr. J. A. Lyons, and through its General Secretary, Mr. Horsfield, that the U.A.P. would crush Communism once and for all.

Foreign-born agitators were to be deported, and local converts to Marxism were to be dealt with in a manner likely to discourage them for all time.

This arrangement arose through Mr. Horsfield calling at my office on an appointment of his own seeking, and informing me that Mr. Lyons' policy speech was to be made at the Sydney Town Hall on the following Wednesday. He told me that the Party was fearful lest the meeting be broken up by Communists, and he asked me if we would protect the meeting, or, better still, arrange for it to be almost entirely composed of the New Guard. I informed Mr. Horsfield that, before committing the New Guard to support

any Party, I wanted assurances on his Party's policy as regards Communism. Mr. Horsfield told me that the whole election was to be fought on the Communist issue, and that I need have no fear on that score, and, further, that the Party would carry out in practice everything I had been advocating for so long. He also advised me to ring Mr. Lyons in Melbourne, and he gave me Mr. Lyons' telephone number.

That was on the Saturday morning prior to Mr. Lyons' policy speech. I spoke to Mr. Lyons on the telephone, and he emphatically endorsed all that Mr. Horsfield had said, and, further, that he was absolutely behind the New Guard and hoped for its support. Thereupon, I received 5000 special tickets for the Town Hall, which I caused to be distributed amongst 100 localities, and, in consequence, the Town Hall was packed with our men. It would have been a hardy Communist who had dared to interrupt that meeting.

I will always remember the huge sign stretched across the interior of the Town Hall that evening, "SMASH THE RED WRECKER." It symbolised the U.A.P. policy, as announced to the public.

I was innocent enough, or ignorant enough, to believe it.

Moreover, we of the Guard had never wished to go into politics if it could possibly be helped—in fact, a number of my ablest helpers in the early days of the movement resigned because I refused to agree to the formation of a political wing.

So now, when a powerful and rich Party, combining most of the Commonwealth's most prominent men, set out to give effect to our ideas, I was well content to throw in the full resources of the New Guard to help in the campaign. This we did with a will, and not only sought no reward, but we never even asked recoupment of the heavy expense entailed by such a policy.

The only occasion we did make a bargain to be paid our expenses was when we pasted up 85,000 "Red Wrecker" posters, on the eve of the Federal election. This ran into

£300. We are still waiting to be paid.

I will spare you a narrative of what we did in the Federal election—suffice it to say we did our best. Nor is there any need to say that Mr. Lyons failed to redeem his personal word to me or the pledge to the people contained in his policy speech.

That to-day is history.

Suffice it to say that, in the year 1934, Communism is more rampant than ever before—what was once said in cellars is now a matter for a public meeting under police protection.

And the idealistic New Guard received its first lesson in politics.

Then we come to Mr. Stevens and the State Government. Having become more wary by its experience with Mr. Lyons, the New Guard did not rally with anything like the same alacrity behind the banner of the State U.A.P. We wanted safeguards. Experience of Mr. Lyons' denial in the Federal Parliament of his promises to me made us prefer the bond to the word of a professional politician.

Accordingly, a short pledge was prepared embodying the urgent reforms we had been promised. It was approved in writing by 17 sitting Members of the present State House.

Again the politician proved too wily for us as mere patriots.

Our support of the U.A.P. State campaign was infinitely more intense and relatively much more important than what we did for the Federal Party.

No effort was spared and no duty too great a burden. On election day alone there were over 20,000 New Guardsmen on voluntary service for the U.A.P. and over 4000 cars. All this did not cost the U.A.P. one penny. Our votes alone were unquestionably the deciding factor in so sweeping a victory as followed.

Time passed. Nothing was done. No action was even imminent. We grew impatient. Every time we have even dared to point out that the promises have not been kept we have been snubbed, if not entirely ignored.

And so the New Guard learnt its second lesson in

politics.

It will be appreciated that, on being let down in this way by our fellow countrymen (not the Portuguese Army, as in France), the General Council of the New Guard was disposed to become indignant and even bitter against those who made the promises.

On consideration, however, we became more tolerant, and I think we all realise to-day that, in a measure, both the Prime Minister and the Premier have both done their best, but that the odds against them have been too great.

Machine politics and professional politicians are too strong for even the best-intentioned mediocrities.

This is our definite belief, and being realists we must face the position arising therefrom.

And what does arise? Simply this: That while Australia remains in the grip of party politics administered from within by professional politicians, and controlled from without by greedy sectional minorities, the New Guard hasn't a hope of attaining its main objectives, which are:—

- (1) Sane and honourable government.
- (2) Abolition of machine politics.
- (3) Maintenance of the full liberty of the individual.

Even were our membership to increase until it included more than half the electors, politicians could side-track us with equal facility. They would promise. We would vote. They would repudiate.

And why would they always repudiate? Because Australian politics have degenerated into a number of sordid business undertakings, and were they to give practical effect, for the good of the majority, to our objectives, they would automatically destroy their own means of livelihood.

Had I, as leader of the New Guard, been desirous of "cashing in," I would have left the Movement high and dry, and sailed off for Treasure Island in conformity with established precedent. I realised this at the time, but as the prizes obtainable offered no temptation I do not take the slightest credit for not having done so.

So early in this year a decision had to be made. Either the New Guard had to abandon hope of attaining its

objectives, or create the machinery to attain them.

The first alternative meant the end of the Movement for all practical purposes. The second, an enormous job of work. As realists it would be futile to go in for the game of make-believe—an association with unattainable ideals would be a futility, something about as effective as the Royal Empire Society eating its way to victory. In addition, it would, in effect, hand over the country to a continuance of party politics, and, in the fullness of time, to Communism.

The second alternative was decided upon in spite of the magnitude of the task, for therein lay ultimate hope—hope for Australia.

So to-day we are faced with the task of organising what we have named the Centre Party.

The name was not chosen without consideration, and it expresses accurately the position we seek to occupy in political society.

On the right hand we have the U.A.P., composed of professional politicians, a number of whom, when not engaged in carrying out like automatons the policy decided for them by the "big boys" of banking, insurance, and commerce, "love to lie a-basking in the sun" of idleness, insincerity, and occasional graft. The others merely look on, voices crying in the wilderness, their ideals gradually becoming dimmer and dimmer in the fog of hypocrisy, that forever obscures the political atmosphere.

So much for Scylla.

Charybdis—the conglomerate entity called the Labour Party—on our left, are as sorry a crew as ever disgraced a British community. The Labour Party of earlier days sought and obtained power with the zeal of reformers. Their ranks were composed of earnest if somewhat ignorant partisans to the cause of the working man. In their day these Labour members justified their existence by proving a brake on the greed of early employers, though a thorn in the flesh of gentlemen who still regarded themselves as living in the era of feudalism.

But to-day, with the grand old Labour Movement captured by a group of ill-bred, disloyal professional agitators,

many of whom have never done an honest day's work individually or collectively, we have to face in the present party the greatest menace of our society.

They tyrannise over the average decent trades unionist, who merely wants "a fair spin," and who is politically their ally, but actually their victim.

They have reformed the chains of a despotism far more onerous than that which the founders of their party so untiringly succeeded in breaking, until at this date the average trades unionist daren't take any part in the affairs of his union for fear of "victimisation." And this under a rule not merely of democracy, but of socialistic democracy!

Their representatives in Parliament are like their confreres of the U.A.P., mere automata, obeying the behests of a minority of toughs who espouse Marxism as the shortest cut to the attainment of their lust for power.

The plain fact is that "democracy" does not exist in fact or in spirit. It is one of the cant expressions of the day that means nothing. To the individual in the street it imparts some vague idea of freedom, with equally vague doubts as to its efficiency. Why, of course, he would be the last to be able to explain. The leader-writer for the U.A.P. uses it as the "summum bonum" of all systems of government if the U.A.P. is in power, and casts grave doubts upon it if Mr. Lang occupies the Treasury benches. The Communist uses the word as an epithet of contempt to denote political enslavement of the world.

To the Fascist democracy is a political system conceived in idealism, practised for a while for the betterment of mankind, but now the slave of the vested interests of both capital and labour—a negation of everything for which it stood. Politicalised democracy is a definite threat to liberty, culture, prosperity, and the general well-being of the human race. Yet the man in the street is content impotently to falter on his way, and leaves things as they are.

The leader-writer wears threadbare his arguments to bolster up a lost cause in which he has no personal faith. The Communist works for, and plans and dreams of the ultimate revolution to give effect to Marxist principles,

chiefly by the murder of the Middle Class—the hated bourgeoisie.

The Fascist works to maintain stability in society, and freedom for the individual by evolving a system of government to preserve the nobler ideals of democracy in modern-day society, while crushing out of existence its baser developments.

The failure of Mr. Lyons in the Federal arena, and that of Mr. Stevens in the State, to fulfil their respective election promises have more significance and more moral obliquity than the mere turpitude of broken pledges.

As I see the position, the neglect by the Prime Minister to crush Communism, both in cause and effect, has given to the Communists an unprecedented opportunity of digging in and consolidating, and one that has been availed of to the full. The cult of Marx has been spreading like an ill weed, which the proverb says "grows apace." In consequence, the people in the next few years will be faced with the major problem of combating the results of Mr. Lyons' "Close Season for Communists."

It may well be that the same culpably weak and indifferent treatment of one of this continent's vital problems as Mr. Lyons himself emphasised, will, before many years roll by, cause the loss of many Australian lives.

As for the State—from the aspect of socialistic legislation and bureaucratic administration, one can only admit in all sorrow that if we may judge Stevens by his acts, then "Lang is right." The State Government, since Mr. Lang's dismissal, has affirmed by actual adoption or minor amendment the principle behind the Marxian mind of Lang Labour.

Regard need only be had to transport, Moratorium legislation, unconscionable taxation, the State Lottery, social services, etc., etc. And now Mr. Weaver proposes to give school children free issues of milk in addition to free education. Milk is, no doubt, a most beneficial beverage for children and grown-ups alike; but the thin edge of the Soviet wedge is put in when the State seeks to take on the responsibility of feeding children in this way and lessening the parental duty. And this in a country that boasts of its stand-

ard of living! And who pays? The taxpayer, of course, NOT Mr. Weaver. But only a paltry £100,000 per annum. To this god in a Cadillac political popularity is cheap at the price.

I will spare you a full recapitulation of how the State Government is keeping the seat warm for Labour by the affirmation of that Party's political theories in practical administration. All I need add is that the Premier, by his failure to carry out his election promises in this manner, is letting New South Wales in for a sorry time in the next few years.

Now let us lift our horizon from the political prevarication of both Mr. Lyons and Mr. Stevens, and consider a more basic reason why a new Party is essential.

The Australian people in the course of evolution is casting round almost unknowingly for a new form of government—a change in function and in structure. Bred of disappointment at the results of Democracy, of disgust at its methods, of resentment at its petty intrigues and insincerity, the man in the street though still stumbling along in the gloom, is looking and hoping against hope for some new light to help him on his way.

The real heart and conscience of the people is, and must always be, in the middle section of the people, the unorganised majority. If that section remains unorganised and politically inarticulate, constitutional Communism is a certainty. Were Communism to triumph, then one of two things would happen: Either it would be accepted without a fight, which would mean the end of liberty, and even the ideal of representative government, or else there would be disruption amounting to civil war.

Both these alternatives can be avoided if the same (at present) unorganised majority can be prevailed upon to accept that measure of political responsibility which is essential where the Government is chosen by the people.

Such an end can only be achieved by instilling a political morale. And morale can best be created by organisation. And such an organisation must have political expression to achieve its end—"Sane and Honourable Government."

Herein lies the justification of the Centre Party.

The New Guard has created the Centre Party, but has presented it to the people. The New Guard will work for this new Party so long as it seeks to be guided by patriotism and objective morality upon which it is founded. For the rest, the Centre Party will be controlled by those who comprise it under its constitution.

The Centre Party may be regarded as the means, and the only means, of infusing a new spirit and heart into the moribund frame of Democracy, and an opportunity of bringing about those reforms essential to the re-assertion of the liberty of the individual, and to the future well-being of the Commonwealth.

May it be the rallying point for every Australian who has his country's good at heart, irrespective of race, party, class, creed, social, or financial position. It is there to cater for the labourer and the professional man, the Civil Servant and the shopkeeper, the rich, and the poor alike.

The organisation of the Centre Party must proceed in two main directions:—

(a) Regionally.

(b) Vocationally.

The regional organisation consists of the establishment of branches and sub-branches throughout the electorates on the same lines as the present Party organisations. These branches and sub-branches are represented on the Supreme Council in accordance with the provisions of the Centre Party Constitution.

This method of organisation has no novel features. It consists mainly of spreading amongst the electors the principles of political reform, and in drawing attention to the weaknesses of the present system. In addition, the regional organisation is important, as it is in the electorates that the victory must be won, and, therefore, the interior organisation of each electorate is of surpassing importance. It is, however, on the vocational side that the real work must be done. This consists in forming a Centre Party branch in each industry, consisting of employers, employees, and management. There is no policy to bother about, no plans to con-

sider. There is but one principle for all to follow, and which is the community of interest that binds together the branch, and, ultimately, the nation. This is the necessity of making the industrial organisations the electorates of the future on the Corporate Plan.

That is the main issue. All other questions resolve themselves. The objective is Representative Government, involving the best to administer and legislate. It also involves the annihilation of the political class—the mushroom growth of the late nineteenth and early twentieth centuries.

Were the nation so organised politically that each of its activities, be they wealth-producing, administrative, importing, and exporting, professional or cultural, had the right to appoint representatives of their own kind in numbers proportionate to their value to form the National Parliament, the results must, of necessity, be democratic. It would also re-establish the vocational basis of the early English Parliaments.

As understanding of the vocational system of representation spreads through the industrial fabric, recruits to the Regional branches will automatically follow.

The Centre Party is but a machine tool, for having gained power on the Vocational issue, it automatically hands over the country to the control of Corporativism, and disappears.

It therefore offers nothing to the self-seeker and the politically ambitious. It is just a path to freedom and decent standards.

CENTRE PARTY POLICY.

1. The objective of the Party is to secure Representative Government.
2. This can only be achieved by removing and dispersing the Professional Political class from the Political sphere.
3. The Corporate State based on Vocational Representation automatically smashes the Professional Political class, in that all Members of Parliament are bona-fide representatives of their Vocations.
4. Since the Vocational System aims at securing representation for all and domination by none, it can have no class

limitation; but, on the contrary, has an equal appeal to all worth-while citizens.

5. Under the Vocational System all shades of honest political opinion are free to express their views on National affairs; in fact, the very structure of Corporativism is designed for that purpose.

6. The Centre Party holds that the function of electorates is to select the best possible citizens to carry out the task of government, both in administration and legislation.

It therefore concentrates on the dominant consideration instead of being satisfied with the concession of the universal regional franchise to the vanity of the individual.

7. The liberty of the individual is best secured by a Charter of Liberty prescribing the inalienable rights of each citizen:—

(a) By declaratory statements.

(b) By defining and limiting the rights, privileges, and powers of Parliament.

8. The duty of guarding and interpreting the Charter is the function of His Majesty's Representative.

9. Members of Parliament must be responsible to their electorates only, and any remuneration for services or recoupment for expenses should be a direct charge on the electorate and not a charge on public revenue.

The Centre Party deprecates political salaries, and holds that members of Parliament are but discharging a national duty, and that the limit of payment to them is:—

(a) Travelling expenses.

(b) A sum equal to actual loss of income caused through Parliamentary duties.

Any interference with a member by a Party organisation outside the electorate, or by the Executive, is contrary to both the letter and the spirit of Representative Government, is unmoral, and should be included in the Crimes Act, and suitable penalties prescribed.

10. That the individual in a modern State can only be articulate politically through the integration of all the functions and vocations that, in their entirety, are the life of the State.

There is no relation between Democracy and the aggregate votes of the unorganised masses.

11. Work is a social duty.

12. Strikes are outlawed on the principle that no one section of the community has a right to interfere with the efficiency or convenience of the rest of the community, any more than have two or more individuals the right to fight or create a disturbance on the footpath of a busy street.

13. Private enterprise is the most efficient and valuable instrument of national production. Private organisation of production by reason of its importance to the nation as a whole is responsible to the State for the management of its production.

14. The Centre Party is united in its one major reform—Vocational Representation—and it must never allow minor issues to disrupt it.

Its task is to introduce a system of selecting Governments in conformity with modern needs. Once this is achieved the result must be sane, honourable, democratic government.

15. Once in power, its task is to achieve its objective of Vocational Representation. When it is represented in our present Parliament, and until such time as it is in control of the country's destinies, the fourteen points hereunder noted should serve as useful principles to guide the general direction of the Party—but that is all.

16. The fourteen points are:—

1. The unity of the political, industrial, cultural, and moral functions of the State.
2. The repeal of all Socialist legislation.
3. The indissoluble co-operation of Capital and Labour in all industries.
4. Non-payment of Members of Parliament.
5. The representation of the people, and freedom from domination by the Extreme Right and Extreme Left.
6. The freedom of private enterprise.
7. The evolution of a system of truly representative institutions based on Vocational Representation.

- 8 The elimination of unemployment by efficient and economic government, and the development of the country's resources.
- + 9 That every man, physically and mentally capable, must work.
- 10 The limitation of the Civil Service to the minimum number of loyal citizens required for efficient administration and functions.
- 11 The abolition of bureaucratic control.
- 12 The freeing of industry from unjust and inequitable taxation.
- + 13 The progressive settlement in fertile areas of men who cannot be absorbed into industry.
- 14 The settlement and development of this State, primarily with men and private capital from Great Britain, and the British Empire, subject to Australia's "White Australia Policy."

CHAPTER IV.

FASCISM.

The spiritual and moral inspiration of Fascism is the Hope of Civilisation. Politically, it is the only possible evolution of Democracy. Industrially, it means Peace and Prosperity. Socially, it corrects the anomalies of Liberal Democracy, and brings Justice to all classes.

(Translated for Australian Conditions.)

I am a Fascist because I am a democrat. I am a democrat because I believe in government by the general will. The only possible form of government for a country like Australia, where, as I have already indicated, there is no traditional ruling class, is the intelligent selection by the people of the most high-minded and capable of their number to undertake the task of government. Government is the guidance and direction of national affairs, and the duty of encouraging and harmonising the forces of the nation.

There is nothing wrong with democracy as an ideal; but there is everything wrong with the institutions that have been evolved to give effect to that ideal.

The party system of government is a negation of everything that the ideal stands for; it is to the ideals of Fascism that we must look for the retention of democracy as the guiding spirit of the people.

The Press of the world has done a great dis-service to civilisation in its concerted misrepresentation of what, to my mind, is the greatest world movement since the Renaissance. The Press has sought to influence the public to the belief that Fascism is the domination of terrorist minorities, actuated by a reactionary spirit, contemptuous of personal liberty and employing force as the only argument.

Nothing could be more cruelly untrue. When I read almost daily in the Press, uninspiring insincere leading articles and garbled news items, I must confess that my indignation is only equalled by the humour of the situation.

Gilbert and Sullivan falls into the category of dull prose when one considers that the mouthpieces of the party-fund Right or the Communist Left should have the effrontery to

talk about minority control.

My belief in Fascism is grounded on two foundations: First, in the days of the Lang regime and the rise of the New Guard, I became a Fascist without knowing what Fascism was; and, secondly, my conviction is the result of a close study of the affairs of both Italy and Germany, with information gained at first-hand, and a background of historical and political reading.

As a sociological phenomenon, Fascism is clear-cut and unmistakable. It is the uprising of the political middle-class (the hated bourgeoisie of the Communist) against the insincerity, the dishonesty and the continued misrule of peoples by the Right minority and the Left minority—that is, extreme Capital and extreme Labour—and an uprising urged on by an almost despairing effort to avoid the rule of the Communists, into whose hands both minorities are unknowingly playing.

The "political middle-class" is a term I use to indicate that vast majority of all sorts and conditions of electors that constitutes the plaything of politicians. It has no reference to breeding, rank, social, or financial position.

In Italy, the results of continued weak party government—and incredible corruption—had brought conditions to such a pass that there was no constitutional way out. It was either revolution in the cause of right, or the passive acceptance of Communism.

In Germany, the country was on the verge of a Communist revolution of a size and character comparable with the Russian terror, and the triumph of the National Socialists was the only possible solution.

What the Press fails to tell people is that Fascism is a mass movement. It is a movement which actuates the vast majority of the people. It is not minority despotism. In that lies the essential difference between it and Communism.

Communism receives much more favour from both extreme Capital and extreme Labour than does Fascism. The reasons are not difficult to seek. In the case of extreme Capital, it can handle Communism because Communism is imposed by a minority, and there is no minority that can

withstand the temptations and control of international Capitalism. It is only necessary to win the minority to win the nation.

The recent admission of Russia as a member of the League of Nations is probably the most indecent act that hopeless concern has perpetrated since its origin. Having murdered literally millions of its best class, and having outraged every canon of justice, liberty, and decency, a minority of semi-intellectual cut-throats financed from abroad are now entrenched at Geneva at the suggestion of France, and pretending to act as one of the alleged high moral factors in world affairs.

The fatted calf, almost, is being killed to celebrate the return of the prodigal.

With the Left minority, Communism commends itself more than Fascism because it is a minority movement, and because Marxian principles, though hopelessly obsolete, appeal to the materialistic aims of its fanatical followers, and constitute a suitable goal towards which to direct the eyes of its rank and file.

Fascism, on the other hand, cannot be controlled by any minority, and it depends for its existence on a high standard of civic understanding, and seeks to educate rather than to dominate.

Above all, Fascism is an ideal for the moral and spiritual revival among the people.

It postulates that the dominating force in the direction of human affairs must be objective morality, not political expediency.

To be a Fascist it is essential that one believes in the spiritual interpretation of history as opposed to its material interpretation, which is the base of Communistic thought.

So much misunderstanding of the Fascist ideal of liberty has come about through its reign, both in Italy and Germany, having its unconstitutional aspects which bore a similarity to a revolutionary movement.

To the Australian suburbanite who bases his whole political faith on three words—"Law and order"—this turbulence constitutes the complete damnation of Fascism with-

out further consideration.

To my mind, to use "law and order" as the deciding factor in the estimation of any ideal or system of government is one of the saddest features of Australian civic retrogression.

The average Australian to-day is prepared to accept any injustice, and, to use an Americanism, to "alibi his conscience" by persuading himself that it would be contrary to law and order to object. This condition of mind presupposes cowardice, stupidity, or, at best, a slave-like tolerance of unjust dealing.

Henry Sidgwick, an eminent economist of the Victorian era, a contemporary of James Bryce and A. V. Dicey, in his "Elements of Politics," assumes throughout the existence of a moral right of insurrection. He says: "A legal or constitutional right of insurrection is an absurdity if not a contradiction in terms, but in the present period of political thought, few would contest the moral right to resist and overthrow established rulers, in extreme cases of misrule, under most forms of government, and, accordingly, I have assumed the existence of such a right in earlier chapters. Few, on the other hand, would deny that such attempts at resistance, or revolution, ought only to take place in extreme cases, when there appears to be no milder means available for remedying either grave practical misgovernment or persistent deliberate failure of established and important guarantees for good government."

A further contribution by him on this subject is as follows:—

1 "I conceive then, that a moral right of insurrection must be held a necessity in the most popularly governed community; in saying this, I do not mean to imply that this violent remedy ought frequently to be used, or that it is likely to be brought into operation frequently in modern civilised society."

Throughout his considerations on the subject, Mr. Sidgwick presupposes the right to be in the minority as against the majority; if such be the case, with how much greater force does it apply that where the majority is dis-

satisfied with minority rule it has an even increased moral right to demand justice.

In the face of this authority alone, how idle it is for the Press or anyone else to seek for one moment to censure the majorities of either Italy or Germany for asserting their rights by force against the continued misgovernment of sectional minorities.

And now let me remove a general misconception. So many of the public seem intellectually incapable of differentiating between the physical act of taking control, and the second phase of government after having taken control.

Take the case of Italy; the revolution was one thing, but the ten years of Fascist reconstruction entirely another.

During the past ten years, the ideal of Fascism has been given popular expression by the creation of representative institutions, based on vocational franchise designed to obviate the necessity for a further revolution with its consequent dictatorship.

The revolutionary Italian Fascists were idealists, but no one will deny that they have given, and are still giving, practical expression to those ideals. The confused and crooked thinking of the average Australian fails to distinguish between an idealist and a visionary.

I go so far as to say that any man who is worth anything to his country must be an idealist, because that is the urge which produces the result. If the ideal is good and the idealist honest and ordinarily capable, then the result should be in keeping with it.

Our ideal of government by the general will is sufficient to satisfy the ordinary citizen, and he is either too ignorant, or too idle, or too cowardly, to examine the institutions of democracy to see whether or not they measure up to the ideal. The ideal of Fascism has in its political structure evolved a system of representative institutions which are necessarily designed to give effect to its political faith. Its political faith can best be summarised by examining its symbol—the axe and the fasces.

In Ancient Rome the symbol of the State borne by the lictors before the Chief Magistrate was a bundle of rods and

an axe. This device has been adopted by the Fascists in Italy as emblematic of their political faith. The axe is symbolic of the authority of the State, and the fasces of the co-operation of the people.

The Fascist State is an authoritative State; it does not pander to the people; it acts with the knowledge that it is charged with the welfare of the people—moral, political, economic and cultural. Its function is to see that no section obtains an undue advantage over another section or over the people as a whole. It demands public obligation and protects private liberty.

It interprets that the rule by the general will can mean nothing else than rule for the general good. It is a happy fusion of Maine's law and popular government. Maine, as you know, lays down that the mass of men tend to follow the will of some dominating element, and in Fascism the dominating elements are objective morality and co-operation.

The genius of Fascism, too, lies in its critical analysis of liberal democratic institutions, and the constructive steps that it takes to correct anomalies and to construct a system of government in keeping with modern developments. Take, for instance, its attitude in Italy towards Trades Unionism. It puts its finger on the weak spot, or what has been called the tragic error of the liberal state, from which arose in all its bitterness class warfare, by pointing out that the liberal democracy admits the working classes to political rights without assuring them equality in civil right. Fascism does not adore the masses for their votes; but it gives them a fair deal, and, in the case of Trades Unionism, instead of allowing these associations of workmen which are essential for securing industrial justice to become a means of enforcing industrial injustice, it brings them within the State. It gives them representation in the National Council, and it gives them representation on a legal status in industrial affairs.

A feature of intense importance is the sincere attempt that Fascism is making to create good government. By the empirical nature of its methods, side by side with any other science, it believes in the doctrine of trial and error. If it

seeks to give effect to any of its ideals—moral, social, political, or economic—it naturally creates some machinery to do so, but having created that machinery, it does not look smugly on and fail to see any error in its creation. On the contrary, it regards it critically, and, if it fails as a physical expression of what was intended, it is scrapped without hesitation, and something else substituted.

Again, let me emphasise that Fascism is an ideal, and an ideal capable of practical fulfilment according to the people and the conditions of the people that espouses it.

It is a popular movement of world significance, and has already captured the bigger part of Western civilisation. It is based on the underlying spirituality of all things human and material to bind the people that espouses it to decent conditions of life, and elevate them to knowledge, a national pride, and an individual independence. It spurns the cult of what may be called Humanitarianism, which is so important a force—but, I submit, so destructive a force—in world affairs to-day.

Irving Babbitt, in his notable work on democracy and leadership, says that a transformation in the very basis of ethics has taken place in connection with the great movement partly utilitarian, partly sentimental, that may be defined in its outline as humanitarianism.

What is singular, the author observes, about the representatives of this movement, is that they wish to live on the naturalistic level, and, at the same time, enjoy the benefits that the past had hoped to achieve as the result of some humanistic or religious discipline.

In fact, Mr. Babbitt submits that the movement has no standards and not even the utilitarian calculus of Bentham. He points out that it is based "neither on the will nor the intellect, but purely on sentiment," and, more than that, it has nothing to do with humanity.

The Fascist State realises that, while property must remain private and private enterprise the guiding spirit in industry, work is a social duty, and that the individual, to attain anything worth while, must be subject to self-discipline, and that the nation as a whole must not be allowed to lower

its standards of ethics which, in the name of morality, justice and decency, must be imposed by the Government on the people, just as the Decalogue imposes a standard of conduct, or the Christian ethic postulates a course of dealing to all who would be morally upright.

I say that, morally, the worst thing we have suffered from our present institutions of government is a general slackening of standards. Those who are placed in authority pander to the baser qualities of the people to retain their own positions, and sectional interests cling on to the control of the State at all costs.

They stop the baby from crying by filling its mouth with sweetmeats, to the ultimate undermining of its constitution.

The Australian people are capable, and have proved themselves capable of the highest sacrifice and the most irreproachable conduct, but the tragedy is that the same people are gradually sinking lower and lower in their judgment of standards, and are governed by their baser motives rather than their nobler sentiments.

This fact has to be faced. There must be discipline—not physical discipline, but moral and spiritual discipline that cannot be attained under our present system of minority control, and the Fascist principles and ideals must be translated to suit our people and our conditions so that a return to decent standards can be confidently undertaken.

At the present time, there is, happily, no need to even contemplate insurrection.

Conditions have not yet become such that reforms, both in our outlook and our institutions, cannot be undertaken peaceably and "constitutionally."

On the other hand, if the position is allowed to drift and drift, then we have to face either the ultimate possible acceptance of extreme Socialistic control, or civil strife brought about by those who will not tolerate so great a degradation.

It amuses and distresses many decent men to hear that they must band together under the U.A.P. banner to fight the "Socialists."

The fact is, that the United Australia Party is scarcely less Socialistic than the Labour Party. In its policy it is Socialistic; in its administration it is Socialistic.

It impoverishes the wealth-producer by creating the spectre of the Party System, and that system's huge and unnecessary non-producer class.

The only difference between the U.A.P. and Labour in this regard is, that while Labour rows the boat in the direction of the Communistic Niagara, the U.A.P. lets it drift there.

I anticipate the comment on my assertion that the United Australia Party is Socialistic, a comment which any ill-informed person would immediately express: "If, as you say, the U.A.P. is purely a tool of finance that provides the party funds, why would it tolerate Socialism?" The answer to this is, first, the facts of the administration prove to demonstrate my contention; and, secondly, that vested interests are not opposed to Socialism.

Both extremes meet on this common ground, that, if the middle section of the community could be standardised, it would be a very good thing.

Mass production excludes individuality of taste, but it makes big profits. A standardised middle class, politically speaking, provides an easy path to Communism.

History has shown that all resistance to misrule comes from the middle class. Russia anticipated this by following the Marxian principle of destroying the middle class, chiefly by murder.

I further postulate that a serious and sane application of Fascist doctrines is the only hope if Australia is to preserve its freedom and to take material advantage of exploiting this veritable land of Canaan. The fact that we are in the Land of Canaan constitutes one of the greatest difficulties of reform.

The Israelites would never have followed Moses out of Egypt had their conditions been reasonably comfortable, and it may well be that the bulk of our people will let things drift and fail to take the opportunity of peaceably using the machinery—the Centre Party—to work out their own salvation.

CHAPTER V. CORPORATIVISM.

Co-operation in production is the keynote. Each group of industries must govern its own affairs, and eliminate the interference of Government. If a Basic Wage, why not a Basic Dividend? Divide the surplus equitably between the three elements of Production. How the Corporate State functions politically.

Let us forget Italy and Germany. They are both countries of great culture and tradition, of courage and resource, and can be left to work out their own salvation.

Rather let us turn our attention to Australia, and apply to our needs the principles of Fascist reform.

In what follows in this chapter I am freely translating certain aspects of Fascism and applying them for our own purposes.

One of the basic principles of Fascism is co-operation—that is, the joint efforts of all individuals and classes to a common end. Industrially, this end is prosperity. Nationally, it is the moral, cultural and economic advancement of the people.

The first matter for examination is industry.

It must be readily admitted by all interests that Capital and Labour, as two necessary elements in production, are each entitled to an equitable proportion of wealth produced, either in terms of goods or services.

And, further, that each brand of industry is different in its earning capacity from the others.

Is it not therefore logical that each group of kindred industries working under similar conditions fix its own wages, conditions of labour, and the like? Surely it is better that these matters be arranged within the industry than outside it by Courts and officials with but little knowledge of the facts and circumstances applying to that industry.

And, after all, the problem boils down to a division of the net product of Industry between Capital, Labour and Management.

Labour is entitled to its wages and Capital to its wages, the Management to its share of profit.

If an industry is indigent, then both wages and dividends and salaries must be rateably and correspondingly low.

No man, whether operative or shareholder, manager or director, can complain, if his return is small, if it represents a just proportion of what is earned.

And conversely, no one of these can fairly justify the acceptance and retention of more than a fair thing.

It must be remembered that the industrial Fascist is first and last a realist.

He must, as a man, be prepared to give and accept what is a fair thing. People who mislead themselves with catch-cries and class bias have no place in Fascism.

The wages of labour must always be the first consideration, and must necessarily be paid in almost every case before the actual profit can be ascertained, let alone collected. Speaking generally, the working man depends on this week's wages for next week's living for himself and his dependents. This necessarily involves an arbitrary weekly payment. If it is too much for the industry to stand, then the profit is unfairly diminished or disappears altogether and leaves the industry all the less able to produce in the future. If the wage proves to be too little in relation to profit, then the management and/or Capital receives more than a fair thing at the expense of Labour. This may be reflected in disproportionate salaries or inflated dividends or by unjustified accretions to capital in the shape of reserves. It may, therefore, be said that all industrial strife centres around the division of profits (hours and conditions are subsidiary), and that this is the logical result of the arbitrary wage as the beginning and end of Labour's participation in the profits of industry.

No one dare argue that the co-operation of all the elements of production (the bundle of sticks—the fasces

bound together by a community of interest) is not vital to industrial success.

How then, could anyone in his senses (unless he employ abject slaves) expect harmony and loyalty on the part of Labour if it is to be given an arbitrary wage as its only interest in a joint effort?

Human nature being as it is, the natural and the inevitable results of such a system are that the workman seeks, by every means in his power, to get as big a wage as possible, and, having got it, to regard with indifference the success of the enterprise, and to work as little as possible.

And so the attitude of the workman to the very industry which sustains him has become one of opposition or apathy as the direct result of the system of industrial employment. His first concern is high wages. The continuance of the industry is not only a secondary consideration, but even, as our Trades Union history proves by numerous instances, a matter of small moment.

The fixed wage is made a basis of class war. Class war can only be abolished by co-operation. Co-operation can best be brought about by profit-sharing.

Profit-sharing should be a matter for each particular industry to solve—not for Government officials.

Profit-sharing means firstly the payment of such a wage as should on estimation of costing be the highest amount that can be paid weekly as a wage to the workmen (be they manual or clerical labourers) and after providing for salaries to the management and reasonable reserves for depreciation and expansion of business, leave a minimum dividend to Capital. The rate of such dividend is to be decided upon by the industry concerned according to its earning capacity and the degree of risk involved.

After payment of wages, salaries and minimum dividend, and after provision for depreciation and necessary reserves, the ultimate balance (if any) is for sharing between Capital, Labour and Management. Should there be no ultimate balance, then, provided the minimum dividend is fair and reasonable, it automatically proves that the profits have been fairly shared.

Wages must be regarded as part of the profits, and not as part of the costs. Where there is an ultimate surplus then the sum in question is for division between the three elements, a bonus to management, a fair division between capital and labour, the first by way of extra dividend, the latter by way of further wages, and also, in long-lived industries, by way of welfare and superannuation schemes. Profit-sharing demands the representation of Labour on the Board of Management and full and free access to all records. It postulates fair dealing and an honest desire to, in fact, co-operate. The structure itself tends to produce this result by providing that success and failure will be fairly borne by all concerned.

So the first unit in Industrial Organisation is the individual business. In it Capital is represented by its Board of Directors, Labour is represented by its nominee on the Board, and the Management is similarly represented.

The next step is the grouping of similar industries into a federation.

The purpose of the federation is to consider and decide upon minimum wage, minimum dividend, conditions and hours of work, welfare schemes, pensions, and the mode of division of the ultimate profit.

The federation also deals with efficiency matters, marketing, and economic considerations affecting the industries under its aegis. Its structure is equal representation of capital and labour; and management also is represented.

It will be noted, incidentally, that I have kept Management separate throughout. It should be separate, so that it is the tool of neither Capital nor Labour. According to the late Lord Melchett, the three, Capital, Labour, and Management are the inseparable partners in industry. According to the size of the unit of industry concerned it should embrace Technical as well as General management.

The Chairman of the Federation and arbitrator in case of dispute must be chosen by the Chairman of Corporations, of which the Federation forms part, from within the industry concerned. There should be an appeal from the Chairman of the Federation to the Chairman of Corpora-

tion, or such tribunal as may be set up for the purpose.

One thing is definite: Strikes and lockouts must be made illegal and punished by depriving the offending parties of political representation for a term. A strike affects national production. Therefore, it must be outlawed. If the machinery of State is designed to give justice to Capital and Labour alike, neither can complain at the decision on any matter in dispute. Any fair-minded person will readily accept this attitude, and so it should be backed by the moral weight of the nation.

It will be appreciated that the corporative organisation of Industry is not opposed to Unionism. On the contrary. Realising the necessity for the reconciliation between the social forces for the nation and its own sovereignty, it dignifies combinations of workmen to a degree of status hitherto unimagined. Instead of regarding Trades Unions as forces to foment industrial unrest and class bitterness, the Corporate System realises that they must occupy a key position in the organisation of the modern State and, given fair representation, must play a leading part in social progress.

So unions are brought within the State, not kept outside it as at present and left to exert political influence by indirect and, as a rule, immoral methods.

And accordingly the precise legal position of a recognised union is that of a "juridical person"—active and passive at the same time—that is to say, having both rights and duties. It has rights over its own members and also over all those who are in the categories to which its members belong. It has by law the right to levy contributions and to regulate the conditions of labour.

The Union has duties in that being a "juridical person" it is responsible to the State as representing the nation for its conduct in the sphere of action assigned to it.

The result of a Union being so recognised is that it becomes a live factor, but its initiative cannot go beyond a point determined by the rights of other incorporated bodies and, more particularly, by the general interest of the

whole people.

Two aims must dominate the incorporated Union—one is the well-being of its members, the other is the national interest.

The grouping of two or more federations (composed, as explained, of the representatives of employers' associations, workmen's Unions, and managerial representatives under a chairman elected by the members or, in default of election, under the chairmanship of an appointee of the Minister) of kindred industries, e.g., wool-growing, wheat-growing, dairy-farming, etc., constitutes the CORPORATION.

But at this stage an essential distinction must be noted between Federation and Corporation. The former is an industrial instrumentality whereas the latter is a national political instrumentality.

The Federation is industrial in its jurisdiction and functions, whereas the Corporation is an Organ of State.

The threads of all Federations are held by the Minister of Federations, a member of Cabinet.

The organisation of the Corporation is the same as the Federation, but naturally, its Capital, Labour and Managerial representatives are representing wider interests.

Its Chairman, too, is also arbitrator.

Since the Federation deals either through the lesser units or directly, as the case may require, with all industrial matters, wages, conditions of labour, profits and the like, applicable to the particular group of industry, the time of the National Parliament is not taken up with these details and it is left to deal only with National issues.

Of course, industrial matters may occupy its time if they have a bearing on the well-being of the nation.

Moreover, as the State is supreme, it may over-ride the decisions of any industrial group where it appears to be in the interests of the people that it should do so.

The dominant features of the Corporative organisation of industry are that it:—

- (a) Protects private ownership.
- (b) Aids private enterprise.

- (c) Gives every unit of industry, employer and employee alike, as well as management, fair and just representation both in political and industrial spheres,
- (d) Protects all producers from the exploitation of minorities,
- (e) Ensures a fair return to each man according to his value.

Now let us turn to the political organisation of the Corporate State. Here be it again remembered the problem is to provide institutions of government adapted to the needs of the modern State, and institutions controlled and led by the very best individuals the organised State can choose for the purpose.

To solve this problem it is first necessary to consider the relation between industry and politics.

No one will deny me when I postulate that the closest relationship must exist and that it must be fair and open.

To-day politics exist as a means to further the industrial ambitions of one minority or the other—Super-Capitalism or Communistic Socialism, whereas politics should be and must be the means of harmonising, co-ordinating and encouraging industrial enterprise, and at the same time the means of firmly curbing its activities where they are not calculated to be in the public interest.

There is a world of difference between the two concepts, and the latter, the Fascist outlook, is the only possible path to stabilised prosperity.

It follows then that the political structure, instead of being the creature of industry, must be the master of industry, yet composed of the representatives of industry instead of a political class. It also follows that to discharge its function of co-ordination and guidance, Government must have a full knowledge of and sympathy with industry.

It surely cannot be argued that this is attained by choosing rulers once every three years from the aggregate emotional votes of the unorganised mass—each unit of the mass consulting his basest instincts of material advantage as a guide to the country's needs.

But before going another step it is well to remember the industrial organisation we have hurriedly skimmed through.

The Corporate Organisation of Industry provides for all questions of conditions, hours of work, and remuneration to be dealt with in the various units of that organisation, and as separate problems concerning each particular industry or group of industries.

Just imagine for one moment any Australian Parliament having nothing to do with awards, basic wages, and the 44-hour week. What on earth would it do thus deprived of its only stock-in-trade? How would politicians be able to appeal to the cupidity of the electors or buy votes in the currency of illusory promises if they had to take their fingers out of the industrial pie? It would make campaigning hard if party funds could not be raised from the merchant, on the bogey of the other side's foreshadowed industrial policy; and difficult to regiment the vote of the artisan if the carrot of higher wages and shorter hours could not be dangled before his nose.

National issues—defence, development, the fiscal policy, national finance, intra-Empire and international issues would appear so dull and uninteresting.

Yet this is precisely how it works out. Given the Corporate System in industry then each group controls its own destiny, subject always to the paramount authority of the State in cases where the industrial unit acts in a manner contrary to general well-being. The National Parliament has only National issues to deal with, and class bias and bitterness automatically recede to the background. National issues are impersonal when separated from industrial detail. To-day National issues are only used as auxiliaries to stimulate mass enthusiasm to secure the return of one minority or the other—and then the self same issues are disregarded.

Well, then, when one visualises a National Parliament under the Corporate System it must be kept in mind that it is an institution to uphold the paramount authority of the nation over all its component parts and an institution having its moral and religious mission, its economic duty and

its cultural responsibility.

In structure the Corporate Parliament must be representative in two ways.

First, it must be elected by the people.

Secondly, its members must be representative of the people. Both these are altogether novel to our existing system.

The second is complementary of, and entirely dependent on, the first, but is none the less important on that account.

Consider Condition No. 2 first: An Assembly to be representative must surely consist of a due proportion of individuals of all classes and types that form a community.

A tinsmith is not representative of an agricultural community, nor is a farmer a suitable representative of the Boilermakers' Union. And, if it comes to that, a number of haphazard nondescript professional politicians cannot genuinely represent a modern State. Moreover, it must be borne in mind that the sharp contrast between politics and industry is a comparatively modern development. Take the history of English Parliaments as an example. In the days of Edward I., when the Parliamentary system had reached a remarkable standard of efficiency, and in effect had produced a system of vocational representation. True it is that the choice of members was from districts or areas, but nevertheless many members represented their vocations in that area.

The House of Lords represented the large hereditary estates. The House of Commons consisted of the representatives of the Knightage (the smaller Landholders) and the burgesses the nominees of trade and commerce.

Thus the large estates, the small estates, and trade and commerce, the main wealth-producing elements at that stage of the country's development, chose from among their respective number individuals to safeguard in the National Assembly their respective interests, liberties, and privileges, and to assist in guiding the destinies of the nation.

Of course the Barons in their power early assumed the hereditary right of representation and did not depend on

election, but this does not detract in any way from the fact that the English Parliamentary system was designed to give effective representation to the principal vocations in the community, and not to disorganised, inarticulate mobs divided up into geographical electorates.

The system of to-day can claim no justification from the ideal of democracy, no sanction from history and not the slightest sympathy with present-day needs.

Another essential principle in the early English Parliamentary system which is to-day forgotten in both theory and practice as far as Australia is concerned, was the cleavage between the Executive (or Cabinet) and the Parliament. One fossil of this forgotten reality was still to be seen in the House of Commons a few years ago—I think it still exists; this is the rule which compels members accepting office to submit themselves to their constituents for re-election.

The origin of this rule dates from the time when the members were returned, not to support the Government but to safeguard their constituents and, if necessary, to criticise and oppose the Government.

The House of Commons and, I believe, our own Parliaments, maintain still another relic of one-time independence. I refer to the form gone through at every opening of Parliament of giving a first reading to a dummy bill before the King's Speech is delivered.

This is a mere survival in form but not in substance of the ancient privilege of the Commons to transact any business they chose without reference to the wishes of the Crown or its members.

This undoubted right of any National Assembly to criticise and oppose the Government (i.e., the Ministers) to use its time as it likes, to introduce and pass such measures as it likes, is fundamental, and without it there cannot possibly be Representative Government.

It is trite to say that in a popularly-governed community there must be a high standard of political education, yet if as a practical test the Australian electors were asked to pass the most elementary examination on the principles of

Parliamentary government I hesitate to say there would be a 2 per cent. pass.

Take for instance the choice of Ministers. What does happen as opposed to constitutional conventions? Simply a compromise between Party and Party funds as to the choice of a "leader."

After the choice of the leader, that gentleman on an accession to power chooses his Cabinet in a three-way compromise, his own choice, the Party's choice, and Party fund's choice.

This question of the relationship between Parliament and Government will be remarked upon in the chapter on the Party system. Its relevance here lies in the nature of that relationship under the Corporate System. The Corporate System postulates a Parliament that is free from executive control or initiative, and, conversely, an Executive that is free to govern so long as it enjoys the confidence of Parliament untrammelled by the influence of Party or Party funds.

To attain the objective Parliament must be elected by the people, and be, in its composition, representative of all sections of the people. The franchise of the citizen is based on his vocation—his trade, profession, or business.

A State is not just a heterogenous unorganised mass living on a section of the earth's surface, any more than a battalion consists of a round thousand of men grouped round a barrack square. A State is an organism of humanity, the sum total of all the sub-organisms that produce the wealth and render the services that form the life of the people; the battalion is the unification and direction of the main four sub-organisms, the companies, which in turn control the platoons, and these the sections. A man is judged and graded in the eyes of his fellows by what he does in his hours of work, not where he lives during hours of rest.

Surely it is only reasonable that he should be represented in Parliament through his trade or profession as part of a living human organism that is an integral part of his country's life. Is not this a more sane basis of franchise than to be one of thousands of unorganised units on an electoral

roll of some suburb? There can scarcely be any doubt as to the superiority of a working franchise over a sleeping or residential franchise.

And what is of vast importance, it is simple, efficient and economic.

Do not overlook the Corporate organisation of industry. The Corporate State is merely its logical complement. Already we have built up from the individual business the category, the federation and corporation to insure harmony, co-operation, efficiency and economy in the work of the nation.

Now we utilise that same structure from which to evolve the National Assembly to deal with issues, internal and external, important to the nation as a whole.

From the employers' associations, employees' unions, and managers' institutes are elected the members of the various corporations which in the aggregate constitute the National Assembly. This does not involve costly yet useless election campaigns, class strife, or inter-party bitterness.

It means the orderly, sane choice of the most suitable men and women from each category and of each category of its most able and trusted working members to carry on the work of Government.

This means that election and selection are in conformity with the principles of Representative Government, while pre-selection and subsequent election decidedly are not.

It is important to note:—

- (a) That the same thing happens in each category within the whole Corporate System.
- (b) That the voters are choosing from their own members whom they should know and whose value they should be able to assess.
- (c) There are no professional politicians, as each candidate must be a bona-fide member of the category from which he is chosen.
- (d) The liaison between Industry and Government is of the closest. The Corporate System of Industry permits each of its component parts to settle its own domestic affairs. The Corporate

State merely builds on to that foundation a Representative National Assembly confidently to undertake the task of Government. There is no interposition of a political class that is out of touch and sympathy with the Industrial State. Side by side there is the paramount National Assembly in charge of the nation, and Federations in charge of their respective industrial activities under the leadership of the Minister of Federations, a member of Cabinet. Could anything be more simple, and at the same time so logical and efficient?

There is a fundamental difference between the industrial and political representation under the corporate system. In industry, Capital and Labour, as the two main elements of production, are represented on an equal footing, and management has its say.

In politics, each corporation is treated as a factor in the life of the nation. It is represented in the National Assembly in the degree of its importance as part of the undertaking.

Accordingly, the number of members the various corporations send to Parliament varies considerably.

In one industry Labour may predominate, as in coal-mining. In another, say agriculture, where the employer both owns and works, the employer has a much greater say than the employee, when it comes to Parliament.

The ratio must be subject to change. For instance an industry of no importance to-day may grow in a few years to be a factor of major importance to the country; or on the other hand a service may render an important contribution to-day and fade completely out in a short space of time.

The authority charged with maintaining a fair and equitable balance may be the Judiciary, the Government, or the Crown. That at most is a matter of detail.

Remember, too, that at present electoral boundaries are changed, new systems of voting introduced and electorates blotted out and new ones created by the Parliament (i.e., of course by the unseen anonymous few) without any expres-

sion from the electors and only as a means of retaining office. The word is "jerrymandering."

It must also be noted that under the Corporate System every section of the community is represented all the time. At present one moiety of the people is disenfranchised during the other moiety's legalised three-year term of robbery.

As an illustration of the principle of Corporate representation according to national value and importance the following illustration of the Italian Parliament in 1933 should prove of interest.

The Confederations are:—

- (a) Industry,
- (b) Agriculture,
- (c) Commerce,
- (d) Sea and Air Transport,
- (e) Land and Inland Water Transport,
- (f) Banking.

There are therefore twelve Confederations under these heads, six for employers and six for employees. There are in addition two autonomous federations:—

- (a) The Federation of artisans or independent manual workers, who work for themselves and not for an employer; and
- (b) The Federation of professional men and artists.

These same groups form a rough basis for the Chamber, which, however, is drawn from other elements as well. The process is as follows:—

These 13 groups propose 800 names allocated as follows:

Agriculture—96 each Confederation.

Industry—80 each.

Commerce—48 each.

Sea and Air Transport—40 each.

Land and Inland Water Transport—32 each.

Banking—24 each.

Professional men and Artists—160.

In all 320 from the employers, 320 from the employees, and 60 from the independent group.

Other approved organisations propose 200 more names, the number for each varying according to importance, e.g., the Universities propose 30, the ex-service men's association 45, National Association of State employees (non-manual workers) 28, the Navy League and the Colonial Institute 1 each, and so on.

The After-Work Institute proposed one last election. Next election it might perhaps propose 20 or 30, its development has been so great.

One thousand names are therefore put before the Grand Council, which chooses a Chamber of 400, but it is not bound to confine itself to the names before it. The existing Chamber was chosen as follows five years ago:—

Confederation of Agricultural employers	46
Confederation of Agricultural workers	27
Confederation of Industrial employers	31
Confederation of Industrial workers	26
Confederation of Commercial employers	16
Confederation of Commercial workers and corporations	10
Confederation of sea and air transport employers	10
Confederation of sea and air transport workers	11
Confederation of land transport employers	12
Confederation of land transport workers	9
Confederation of bankers	10
Confederation of bank employees	6
Confederation of professional men	82
Confederation of Universities	15
Confederation of ex-service men	40
Confederation of wounded soldiers	14
Representatives of various associations and public bodies	35
Total	400

The Grand Council at present consists of 25 members. Most are ex-officio.

The Prime Minister, the Secretary of the Fascist Party, the three surviving members of the Quadrumvirate who directed the march on Rome, the President of the Senate,

the President of the Chamber, the Ministers of Justice, Finance, Education and Agriculture, the President of the Academy (Marconi at the moment), the two vice-secretaries of the Party, the President of the Special Tribunal, the Presidents of the Confederations of Industry (employers) and Agriculture (Employers) with their opposite numbers for the workers. Then there are six men appointed for three years; the Minister of Communications, an ex-Minister of Finance, who is a very sound man; an economist; a Labour leader and organiser who is also understudy to Mussolini, the late Minister of Corporations, the late Minister for Foreign Affairs (now Ambassador in London), and the late Minister of Justice (now Rector of Rome University). Here you have exemplification of the second condition I previously laid down: "The Parliament must be representative of the people."

This Assembly is a pocket edition of the nation, all trades, professions, interests, services, and cultural centres are there in the proportion to their national value. They are there to deal with national issues. Not a group of class nominees justifying their existence by perpetrating class injustice and squandering public moneys in an effort to retain their jobs. And now as to the Executive.

As previously laid down the Executive and the Parliament must be independent of each other. With the Corporate System there can be no defeats on the floor of the House as we know them, since there can be no parties.

In any Anglo-Saxon community I believe Parliament should have the right to dismiss the Ministry, and for that reason I think the Ministry, or at least the Prime Minister, should be chosen by Parliament. I am, however, not adamant on this point as I conceive that with a King's representative of the right type and invested with real powers of this office, the selection of the Ministry could safely be left to him.

That is a matter of detail that we need not here consider. Almost any way would be preferable to our present degenerate method. The powers and functions of the King's representative are dealt with moreover in a later

part of the book.

I feel, too, that the Executive should have the right with the sanction of the Governor-General to send the Parliament back to the constituencies for a fresh mandate.

The period of office of a Corporate Parliament is not of great importance. If the period is short it should, I think, be not less than three years; if longer the electorates (the categories) should probably be given a right of recall.

The foregoing is intended merely to give an outline of the Corporate State. It does not pretend to do more. Although it is evolutionary and even radical, it re-asserts in principle the foundations of British liberty—principles forgotten alike by Government and people in these smug self-satisfied degenerate days.

But I do urge on our poor newspaper-stricken people that if liberty is to be restored to individuals it is the Corporate State that will bring it to them.

CHAPTER VI. ASPECTS OF VOCATIONAL REPRESENTATION.

New South Wales lends itself geographically to the Corporate State. Payment of Members of Parliament. Corporativism based on Vocational Representation destroys Party Politics once and for all and eliminates the twentieth century danger—Professional Politicians—The Upper House—The functions of the King's Representative—How the Corporate State could be organised.

Advocates of the system base their whole case on the right of every section of the community to being effectively represented in the Government of the country, and that such representation should be in the proportion of the importance of each section to the nation as a whole—importance as a producer of goods or services, or as a cultural unit having an influence on the moral, artistic, or religious development of the people.

Every section must be represented; no one section should rule.

The very grouping of the Australian population is designed for vocational representation. The key secondary industries and main services are grouped in the cities, coal-mining is carried on in well-defined areas, the dairying industry along the coast, while the pastoral and agricultural industries are situated in the inland areas.

The Country Party to-day is almost a vocational party. It is largely composed of primary producers elected chiefly by primary producers. True it is organised on the regional basis but by reason of the geographical situation of the electors the result is approximately the same as if the industry were one of the Corporations of the Corporate State, and the members elected and selected on the Fascist Plan.

Naturally as political units the present members of the Country Party cannot expect to be as effectual from a national standpoint as they would under a Corporate System, because they suffer though in a lesser degree than

other parties the disabilities of the Party System. In addition their minds are distracted by the inevitable industrial detail and minor issues inseparable from Party, which would, under the Corporate System, be dealt with in the Industrial organisations as explained in a previous chapter.

I think it only just to admit that notwithstanding its parochial viewpoint and "wool-and-wheat-are-the-only-things-that-count" outlook it is far and away ahead of any other political party in the Commonwealth in its sincerity, honesty, the quality of its members, and its genuine desire to represent its constituents.

The contention that groups or sections should be represented is based on the definite fact that this is the only way in a modern State that the individual can obtain representation. My comments on the Country Party illustrate this aspect. Despite Party trammels, the Country Party is reasonably efficient only because of the simplicity of industrial organisation in the country and the general community of interest amongst the actual producers of primary products, and those directly and indirectly dependent thereon forming the population of country towns. It was in conditions such as these that our present system of Parliamentary representation attained general support. It was when these conditions ceased to apply to the majority of the population huddled in urban areas that it became decadent and a mere tool of the vested interests of super-Capitalism or extreme Labour.

What earthly chance has the politically unorganised individual in a city of effectively expressing his political franchise? He merely has a vote which is nothing at all, and an impudent nothing at that. He is at best a member of a mass—a mob—swayed hither and thither by mob oratory and insidious Press propaganda.

Under the Corporate System the same individual is articulate. He is a member of the group, an organism of society, composed of other members who seek their daily bread in the same or allied pursuits. With these he has a community of interest, a similar outlook. He has a chance of knowing them and of forming an opinion of their tem-

peraments, characters and abilities. The man or men chosen can be reasonably relied upon to express the opinions and ideals of those whom he or they represent.

There is no pre-selection by minorities without legal status as at present—no election campaigns to disrupt business and add fuel to the fires of class bitterness. Instead there is a thoughtful and dignified selection of a candidate by those of his fellow-workers, or fellow-employers, by means of a secret ballot box.

The question of payment of members under the Corporate System must not be overlooked. My recommendation is that members should be reimbursed by those who elect them for any loss of income occasioned by Parliamentary or industrial representation.

This is not a difficult matter. It is only necessary to ascertain in each case before election the average income of each candidate over, say, the past three years, and guarantee that his electors will make it up to him if, through public duties, he fails to earn that amount during his term of office. Note particularly that this means that Parliamentary salaries are not a charge on revenue but a direct charge on each corporate electorate.

The effect on revenue generally is an extremely important aspect of the Corporate State.

Corporativism deals a knock-out to State bureaucracy. As pointed out in the last chapter each industry deals with its own problems, provides its own welfare and pension schemes, pays its own officials.

The Workers' Compensation, endowment, superannuation and pensions are dealt with in each corporation, and these items are dropped from the Budget. In addition, Industry is saved the immense expense of unwieldy Government departments that now deal with these matters.

The aggregate saving in administration follows automatically when it is a direct charge on a particular industry, and accordingly understood and appreciated by all employees and employers.

The curse of Consolidated Revenue is that it is impersonal, nobody's business and no one's responsibility. The

same applies to the fruits of indirect taxation generally.

The moral effect of the Corporate State from this aspect is far reaching. The Parliamentary is deprived of the sinews of political bribery. The elector ceases to regard the Government as one immense philanthropic society. He must look to his own industry, out of the wealth it produces or the revenue of the service it renders, for the amenities of life. In consequence there is a general disposition for all engaged in an industry to ensure that it is efficient and prosperous, that it is administered economically, and that the best prices are obtained for its particular commodity. Thus is fostered the spirit of co-operation. Strikes must cease as there is no general revenue to fall back upon.

On the other hand costs are lessened by the reduction to a minimum of the non-producer class that feeds on industry and keeps it poor.

The unquestionable right of each industry to control its own wages, hours, and conditions under the Corporate System renders unnecessary the futile, yet expensive, administration of Industrial Arbitration — and so another heavy burden is lifted from the people's shoulders. Again the professional politician is deprived of another fruitful source of political bribery and vote-buying.

Surely no sane man can argue against the right of industry to order its own affairs, subject, of course, to the paramount authority of the Government to interfere where the general welfare is threatened. Our present system is on all fours with the interior economy of a battalion being dealt with by Army Headquarters.

The operation of the Corporate System in industry soon teaches all classes that State philanthropy is borne by all and that social services are borne in some measure by the classes they seek to advantage, as well as by those who, in theory, bear all the brunt.

Probably the greatest advantages of the Corporate State lie in its simplicity and in its applicability to modern conditions. It is the only true and logical evolution of democracy. Yet how many people without any knowledge whatever of the subject pre-suppose that it is machine-like,

intricate, and a restriction on the liberty of the subject. These grave and reverend seigneurs mutter that they won't have Fascism and Dictators. Give them democracy, and other similar fatuous nonsense, proving to demonstration their utter and complete ignorance or else their impertinent insincerity.

A stranger listening to the conservative's defence of the Party System would imagine that we lived in a free and idealistic state and would never imagine the existence of our top-heavy, thriftless, extravagant and inefficient bureaucratic administration, our pawn-like Parliament, and our 1000 Statutes (in N.S.W.) of "practical utility," nearly all of which contain penalties (quite apart from the Crimes Act) to enforce obedience to the many thousands of "Do's and Don'ts" contained therein.

The fact is that we are overgoverned to a degree quite impossible in any Corporate State.

Another bogey of many an honest citizen is the fear of a Government governing. It is imagined that in such an event the subject would be at the beck and call of the State.

Under a Corporate regime the Government merely deals with broad issues of national policy. The very slogan of Fascism "Obligation in Public, Liberty in Private" is eloquent of its entire political conception; while the fact that its strongest supporters are the yeoman farmer of Germany and the peasant proprietor of Italy, bring proof that the slogan is actually applied in practice.

Under the misrule of existing political institutions, employer and employee alike have formed associations and unions to give expression, both politically and industrially, to their separate needs or desires, and as an acknowledgment chiefly defensive, that unity is strength. The Party System does not afford these associations any official representation so that their contact with politics is necessarily indirect and secret and committed to minorities.

All that is necessary for the creation of the Corporate System in Industry and the Corporate State in Politics is to enlarge the scope of both the organisations of Labour and

Capital, to amend and reform them where they are repugnant to the ideal, and to invest them with legal status.

The genius of Corporativism is that it recognises that modern conditions demand the organisation of the elements of production, and acts accordingly.

It invests Labour unions, employers' associations, and managers institutes with legal status, and, indeed, treats them as "juridical persons," with both rights and responsibilities. The rights guarantee its members parity of contract and representation industrially and politically; its responsibilities demand from it national obligation.

Having thus dignified and rendered articulate the unions, employers, federations and institutes of managers, as well as our cultural and professional associations, we already have the basis of the Corporate State.

These categories of capital, management and labour are the new electorates from which members of Parliament are chosen. The choice is by election in exactly the same manner as at present, and when elected each member represents the ideas, the standards and the outlook of his constituents.

To bring about the transformation to Corporativism, only simple legislation is necessary; nothing so involved as Mr. Bavin's Transport Act or Mr. Stevens' Income Tax legislation.

Two phases would be necessary:—

(i.) Experimental; and (ii.) Operative.

During the experimental stage, which would be for, say, two years, the necessary Corporate machinery would be established under the authority of the Act of Parliament, which we may call the Transformation Act. A model Corporate Parliament would be elected, and the Federations of Industry instituted.

While the experimental stage existed, Parliament would remain in control of the State while the new machinery was being perfected. After this the operative period would ensue when Parliament would fade out of existence and the Corporate Parliament would take over supreme control of the nation while the Federations would relieve it of the worry of industrial detail, of Production, Distribution

and Marketing.

I cannot see that in the Corporate State an Upper House is necessary. Its very constitution is proof against mob impulse or mass emotion. I am not against an Upper House provided it is wisely chosen and not a creature of the Lower House or, what is just as bad, a natural and automatic obstruction to the Lower House. A House of Revision selected, say, on a property franchise and from really outstanding men, is always a safeguard against ill-considered change, but I do not think it essential. After all, an Upper House is not so much a part of popular government as to guard against the known weaknesses of popular government and these weaknesses centre round the mode of election by emotional appeal and the types of rulers thereby evolved.

I do not share the confidence of so many good people in this State that the new Upper House will ever count for much. Its election was characterised by shameful bribery, the ballots were conducted under the eyes of detectives from the Criminal Investigation Branch, its members a polyglot lot of nominees of political Parties, and numbering in their ranks doubtful and notorious characters.

How can any body of men so created be a power for good? Granted quite a number of first-class men slipped in in the scramble, but their job is perforce defensive, not creative.

Our Upper House is a Chamber of Revision, NOT of initiation. It may hold out against Communism in the Assembly, but it is utterly powerless to attack the causes of Communism outside Parliament. It is characteristic of our crooked thinking to overlook the fact that Communistic development in the Parliament is only a result of the advance of Communism among the people.

The strongest Upper House imaginable cannot stem the tide of Communism by throwing out revolutionary legislation; on the contrary, such a policy only reacts as tonic to revolutionary action. What the unfortunate people need is a Parliament that will lead and guide, not merely an institution that will brag about a stalemate and occasional appeals to a sadly ignorant electorate.

One of the worst features of our political ineptitude is the smug complacency of our "solid" people as to the present reconstituted Upper House.

It must be remembered that the Parliaments of to-day occupy the same position as the Kings of yesterday. Any people that achieved anything was led, and led by one who enjoyed their confidence, the popular goodwill.

Speaking of Kings brings me to the question of His Majesty's representative in Australia. The Corporate State is eminently Imperial, and the need of a Governor-General even more necessary than to-day. But a Governor-General would be needed to carry out real duties, and accordingly would be invested with definite constitutional rights, privileges, and discretions.

He would be the interpreter of the Constitution in the name of the people, with power to seek the aid of the High Court and to submit to it matters for advice.

That this should be so is both simple and logical. The King is the symbol of justice and liberty, the *pater patriae*, and at times an interpreter of the will of the people. The Governor-General would at one and the same time, play the same part as regards the Australian people and be the deputy for the King as representing the Empire, thereby while guaranteeing to us the same measure of protection as in England, at the same time preserving a silken Imperial tie. The functions of the Governor-General would include the Royal assent to Acts of Parliament, not the supine acquiescence as at present, the right of dissolving Parliament when deemed prudent, without having to practically wait for a revolution to justify doing so, and without censure if Parliament be returned against the Governor-General's judgment.

In short, in a Governor-General we should look for a super-statesman of flesh and blood, not the rubber stamp the Party System demands. We have outstanding men both as Governors and Governors-General, but we have tied them hand and foot, and have derived but little value politically speaking from their existence. Distinguished sailors, soldiers, jurists and diplomatists have been humbled into

assuming the roles of official flower-show openers, patrons of organised charities, and after-dinner speakers, while their homes are turned into a sort of Mecca for that social snobbery which makes Australia justly ridiculous in the eyes of such of the world as knows of our existence.

One can sympathise with the private feelings of Vice-Royalty under such circumstances, and excuse them readily for believing that we are all similar to that ill-assorted band of professional politicians, short-pedigreed social climbers, K.B.E's, rather dull representatives of Sydney's somewhat frowsy "divine right" families and other oddments counting for nothing, that must make their lives such a bore.

In short, the reason and justification of Vice-Royalty are not that they should fulfil the role of public entertainers to the wrong people, but to discharge highly important constitutional functions within the Dominions and at the same time preserve and foster the Imperial tradition.

It cannot be seriously contended that the social side of Government House bears even the most remote similarity to a Royal Court, for the simple reason that the people who count either in city or country, seldom, if ever, darken its doors.

The Corporate State could be applied with equal facility whether Federalism be retained or abolished. It must be borne in mind throughout that Corporativism is essentially an ideal. Vocational representation is merely machinery calculated to give expression to that ideal. Whether we have a Federation of six Sovereign States or one Central Parliament with a number of provincial local government areas is at best a matter of structure, and to be decided upon after careful consideration of the claims of each to economy and efficiency.

Personally I favour one Central Government and, say, twenty Provinces to the Federal system. This would involve the abolition of State Parliaments and, incidentally, of State Governors. I believe that a National Australian spirit is impossible with six sovereign States and a weak Federal link.

Moreover the expense is out of all proportion to what

it should be, and the result is the hopeless inefficiency of the present structure. With present communications and transportation one central authority could far more easily administer Australia than the English Parliament could administer Great Britain 150 years ago.

However, that, I again emphasise, is a matter of structure, and is of small moment compared with the ethical side of Corporativism which is its mainspring—the ideal of justice, personal liberty, equality of opportunity and, above all, national obligation.

Whatever our Governmental structure, I do say, however, that Australia, as the logical home of the British race and probably the greatest asset in the Empire balance-sheet should have the best man for the purpose the Empire can provide as her Governor-General. The ideal would be accomplished could it be arranged that a member of the Royal family accept the position of Viceroy. Such an appointment would have far-reaching effects. The traditional ceremonial would go a long way to establish our national pride. The creation of a Brigade of Australian Foot Guards would be welcomed by all classes? Moreover, the appointment of a Royal Governor-General would attract as settlers the better classes of English, Welsh, and Scotch migrants who pass us by to-day, and it would without doubt draw Australia and Great Britain much closer together by strengthening the bonds which the sensational Press, Test Matches, and Ottawa conferences render weaker year by year.

CHAPTER VII. VOCATIONAL REPRESENTATION FOR NEW SOUTH WALES.

How the Plan would operate—The new Electorates
—The Grouping of Industry—The Articulation of
Industry by the integration of the State's Activities
—The Composition of the New Parliament.

1. In order to bring about the change from the present system of voting in regional electorates to the vocational system of Corporativism, the first step would be to organise the various activities of the State, industrial, commercial, cultural, etc., into associated groups called Federations.

Each Federation would be subdivided into the new electorates covering the three categories—Capital, Management, and Labour. That is to say, the three elements of production, Capital, Management, and Labour, the inseparable partners in industry would then each have an opportunity, in their own particular spheres of electing representatives to form the National Parliament.

The same electorates are also used for the purpose of electing representatives to the Federation Councils, which are charged with the duty of regulating all matters relating to the industry, or industries, comprised in the Federation.

The term "Capital" is used to mean the shareholders in a joint stock company, and to include the owner of a private business. "Management" is included for those industries where there is either technical management as apart from Capital, or executive management where it is directly employed by Capital and is not provided by the owner-proprietor. In some Federations as in I. Grazing, where management and capital are in most cases identical, the two categories are bracketed.

2. I suggest the following Federations for the State of New South Wales, and I have placed them in their respective corporate groups as they would ultimately appear in the

Parliament.

It is quite possible that I have omitted a number of major activities, which will have to be added on revision, and have probably also overlooked many minor functions which will need to be included as part of the major elements of the various Federations.

No. I. CORPORATION.—PRIMARY PRODUCTION.**Federations.**

1. Grazing.
2. Wheat-growing.
3. Dairying.
4. Fruit-growing.
5. Mixed Farming and Poultry.
6. Wine Production.

No. II. CORPORATION.—SECONDARY INDUSTRY.**Federations.**

1. Clothing and Textiles.
2. Foodstuffs, Beverages, and Narcotics.
3. Metal and Engineering Industries.
4. Furniture, Wood-working, etc.
5. Automobile and Other Transport Vehicles and Accessories.
6. Printing, Publishing, Paper Products, and Book-binding.
7. Chemical, Surgical, Medical, and Scientific.
8. Miscellaneous.

No. III. CORPORATION.—COMMERCE.**Federations.**

1. General Merchants. Importers, and Exporters.
2. Master Retailers, city.
3. Master Retailers, General Stores, etc., country.
4. Suburban Retailers.
5. Distributors, Manufacturers' Agents and Brokers, other than Sydney Stock Exchange and Insurance.
6. Real Estate Agents.

No. IV. CORPORATION.—COMMUNICATIONS AND TRANSPORT.**Federations.**

1. Railways and Tramways.
2. Land Transport, exclusive of Railways and Tramways.
3. Harbour Transport.
4. Air Transport.
5. Shipping and Sea Transport (overseas).
6. Shipping and Sea Transport (coastal).
7. Post, Telegraph, Telephone, Radio, and Cable Services (internal and overseas).

No. V. CORPORATION.—CONSTRUCTION.**Federations.**

1. Building.
2. Engineering (mechanical).
3. Engineering (electrical).
4. Metal Quarries.
5. Brick, Tile, and Pipe Makers.
6. Water, Sewerage, and Drainage.
7. Timber.
8. Miscellaneous Building Material.

No. VI. CORPORATION.—BANKING, INSURANCE, AND FINANCE.**Federations.**

1. Banks, Trustee Companies, Discount and Credit Companies.
2. Life Assurance.
3. Fire, Accident, and General Insurance.
4. Members of Sydney Stock Exchange.
5. Financial and Insurance Brokers.
6. Money-lending (other than banks).

No. VII. CORPORATION.—MINING & SMELTING.**Federations.**

1. Coal-mining.
2. Iron and Base Metals.
3. Gold and Precious Minerals.
4. Other Metalliferous Mining not specified above.

No. VIII. CORPORATION.—LEARNED PROFESSIONS, ETC.

Federations.

1. Churches.
2. The Judiciary.
3. Law (Bar).
4. Law (Solicitors).
5. Medicine.
6. Nursing Profession.
7. Architects and Surveyors.
8. Civil Engineers.
9. Chartered Accountants.
10. Dentists and Optometrists.
11. Universities.
12. School Teachers (Private and State Schools).
13. The Army.
14. Navy and Air Force.

No. IX. CORPORATION.—MISCELLANEOUS.

Federations.

1. Public Service.
2. Friendly Societies.
3. Entertainment Industry.
4. Housewives' Association.
5. Returned Soldiers and Sailors' Leagues.
6. Maimed Soldiers.
7. Sporting and Recreative Associations.
8. Art, Literary, and Scientific Associations.
9. Journalists.
10. County of Cumberland Autonomous Federation.
11. Northern Rivers Autonomous Federation.
12. South Coast Autonomous Federation.
13. South West and Riverina Autonomous Federation.
14. West and North West Autonomous Federation.
15. Northern Tablelands Autonomous Federation.
16. Local Government, Statutory Authorities, and Allied Essential Services.

3. The electorates to be grouped under each of the Federations are our next consideration. As pointed out in

another chapter, the existing industrial, cultural, executive, and administrative organisations of the State can be utilised for the purpose of Vocational Representation.

There are instances where such existing organisations will have to be limited, and in other cases extended. In addition, the existing structure will need to be strengthened by the creation of appropriate associations where none exist to-day. Industry, in its endeavour to obtain social justice, has already gone a long distance in preparing the way for the Corporate State. All that is required is to give articulation by representation of each logical group of the different categories. It will be noted that under Corporation 9 provision is made for six autonomous Federations, which will give representation to all those members of the community whose occupation does not lend itself to logical alliance to any of the other branches of industry.

For the purpose of efficient administration it will be necessary to subdivide certain of the Federations, and allot one or more Parliamentary representatives according to size of the subdivided portions. For instance, in the case of colliery employees, the Newcastle-Maitland fields would be represented apart from the South Coast Collieries and Western Collieries, but all three would form part of the same Federation. This, however, is but a matter of detail, and it is only mentioned here to dispel any difficulties that may occur to the minds of readers.

Each of the Federations set out in the nine corporations would be composed of three electorates—Capital, Labour, and Management—and each of these three elements in every individual business would form part of the respective electorates in their own Federation.

A few illustrations will suffice to explain the principle and obviate the need at this stage of further detail.

4.—CAPITAL ELECTORATES.

Take the first Federation of Corporation 1—Grazing. The logical electorate for all graziers is the Graziers' Association of N.S.W. In order to make that association a representative electorate, it would be essential for every grazier to be a member of it. At the present time there are many

graziers who are not members of the association, but they would have to join under the Corporate Scheme in order to elect their members for Parliament and to send their representatives to the Federation Council.

In addition, the Graziers' Association would be invested with legal status, and, to use the Italian simile, would be a "juridical person."

The same status, of course, would be enjoyed by every electorate in each category throughout the whole structure.

Corporation No. 2—Industry (Manufacturing).—The Chamber of Manufacturers is a highly organised body. It has sectional committees and organisations to represent each subdivision, and these subdivisions could well be utilised as the nucleus for the various Capital electorates in that particular corporation.

The same remarks as to status and membership apply here as in the case of the Graziers' Association.

And so on right through each corporation.

All that has to be borne in mind is that where there is a suitable association it can be utilised as it stands, provided it is strengthened and made more representative. In cases where no such organisation exists, it is necessary to create one.

In No. 8 Corporation the existing Capital organisations are, in many instances, suitable as they now stand. Take the medical profession. The B.M.A. is the obvious electorate for this profession. Barristers have their Bar Council, the solicitors the Incorporated Law Institute.

5.—MANAGEMENT ELECTORATES.

In almost every case electorates will have to be created for this category. Naturally, representation will be small, but, nevertheless, valuable. Technical and executive management should be independent of both Capital and Labour, and the State would be advantaged by its contribution.

6.—LABOUR ELECTORATES.

The existing unions, their grouping and organisation render the change to Corporativism in the Labour category a matter of simplicity. As in the case of the Capital

categories, the unions representing the Labour electorates in each Federation will be invested with legal status. It will also be necessary, in giving unions such legal status, to abolish all paid whole-time officers, and to provide that the officials must be bona-fide workmen in employment. This principle, of course, will be strongly opposed by the Trades Hall, but must receive the greatest support from every bona-fide trades unionist, because it means that the union will be controlled in a democratic manner by the members, instead of by minorities, as at present.

The existing organisations which would constitute the Labour electorates in the various corporations are set out hereunder. I know there may be certain unions I have omitted, and that certain unions properly belong to the Management category, but the rather formidable display will illustrate what I have stated:—

No. I. CORPORATION—PRIMARY PRODUCTION.

Federation 1—Pastoral Workers' Industrial Union.

Wool and Basil Workers.

Australian Workers' Union.

No. II. CORPORATION.

Federation 1—Amalgamated Clothing and Allied Trades' Union.

Textile Workers' Union.

United Felt Hatting Employees' Union of A'sia.

Aust. Boot Trade Employees' Federation.

Federation 2—Baking Trade Employees' Federation.

Amal. Food Preserving Employees' Union.

Aust. Meat Industry Employees' Union.

Fed. Liquor and Allied Trades Employees' Union.

Amal. Hotel and Caterers Employees' Union.

Hotel, Club, Restaurant, Caterers, Tea Rooms and Boarding House Employees' Union.

Milk and Ice Carters and Dairy Employees' Union.

Pastrycooks Employees' Union.

- Federation 3—Fed. Iron Workers' Assn. of A'sia.
 Fed. Moulders' (Metals) Union of A'sia.
 Amalgamated Engineering Union.
 Fed. Union of Loco. Engineers.
 Sheet Metal Working Ind. Union of A'sia.
 Journeymen Farriers' Union.
 Stovemakers Employees' Union.
- Federation 4—Furnishing Trades Union.
- Federation 5—Aust. Coach, Motor Car, etc., Employees' Federation.
- Federation 6—Printing Industry Employees' Union of A'sia.
- Federation 7—Australian Glassworkers' Union.
 Australian Rope and Cordage Workers' Union.
 Fed. Gas Employees' Industrial Union.
 Fed. Ship Painters and Dockers' Union of A'sia.
 Fed. Rubber Workers' Union of A'sia.
 Fed. Plumbers and Gasfitters Employees' Union.
 Fed. Coopers.
 Fed. Jewellers, Watchmakers, and Allied Trades.
 Fed. Miscellaneous Workers.
 Fed. Shipwrights' Union.
 Fed. Tanners and Leather Dressers.
 Plate, Sheet, and Ornamental Glass Workers' Union.
 Postal Clerks' Union.

No. III. CORPORATION—COMMERCE.

- Federation 1—Commercial Travellers' Association.
 (Various clerical and trades unions covering employees under this corporation.)

No. IV. CORPORATION—COMMUNICATIONS AND TRANSPORT.

- Federation 1—Assn. of Railway Professional Officers of A'sia.
 Railway Service Association.

Fed. Engine Drivers and Firemen's Assn. of N.S.W.

Aust. Tramway Employees' Assn.

N.S.W. Railway and Tramway Assn.

Aust. Railways Union.

Federation 2—Aust. Coach, Motor Car, Tram Car, Wagon Builders, Wheelwrights, Aircraft, and Rolling Stock Makers Employees' Federation.

Fed. Carters and Drivers' Industrial Union.

Amal. Road Transport Workers' Union.

Federation 3—Sydney Foreman Stevedores' Assn.

Federation 5/6—Firemen and Deck Hands' Assn.

Waterside Workers' Federation of A'sia.

Seamen's Union of Aust.

Permanent and Casual Wharf Labourers' Union.

Fed. Stewards and Pantrymen's Assn.

Marine Cooks, Bakers, and Butchers of A'sia.

Federation 7—Radio Telegraphists' Institute.

Amal. Postal Workers' Union.

Postal Clerks' Union.

No. V. CORPORATION—CONSTRUCTION.

Federation 1—Aust. Builders Labourers' Federation.

United Labourers' Protective Society.

Amal. Society of Carpenters and Joiners.

Operative Painters and Decorators' Union.

Operative Plasterers' Federation.

United Operative Bricklayers' Union.

Federation 2—Aust. Society of Engineers.

Federation 3—Electrical Trades Union of A'sia.

Federation 4—Quarrymen's Union of N.S.W.

Federation 5—Fed. Brick, Tile, and Pottery Ind. Union.

Federation 7—Aust. Timber Workers' Union.

No. VI. CORPORATION—BANKING, INSURANCE, AND FINANCE.

Federation 1—United Bank Officers' Association.

Federation 2—Aust. Insurance Staffs' Federation.

No. VII. CORPORATION—MINING & SMELTING.

Federation 1—Northern Collieries' Assn.

Aust. Coal and Shale Employees' Fedn.

Coal Lumpers' Union (Sydney).

Many Collieries' Associations.

No. VIII. CORPORATION—LEARNED PROFESSIONS

Federation 6—Hospital Employees' Assn. of N.S.W.

Clerical Unions covering employees under this corporation.

No. IX. CORPORATION—MISCELLANEOUS.

Federation 1—Met. W.S. and D. Employees' Assn.

N.S.W. Police Association.

Fed. Municipal and Shire Council Employees' Union.

Federation 3—Aust. Theatrical and Amusement Employees' Association.

Musicians' Union of A'sia.

Actors' Federation of A'sia.

Federation 5—R.S. and S.I.S.L.

British Legion.

Federation 6—Limbless Soldiers' Assn.

Federation 7—Musical Association of N.S.W.

Federation 8—Australian Journalists' Assn.

7.—THE CORPORATE PARLIAMENT.

My suggestion is that Parliament under the Vocational System of representation should for N.S.W. consist of 172 members. The numbers are not arbitrary. They can be decreased or increased without any sacrifice of principle.

For the Commonwealth, after abolition of State Parliaments, the number would be greater. My suggestions are based on what appears to me to be a fair representation to all. Experience would no doubt demonstrate the need of certain adjustments to cover more direct representation, in some cases involving more members, while in others the lessening of the number of members by a consolidation of a number of electorates where they are now distinct.

Incidentally, I have been asked frequently, "What about the women? How do they get on under the Corporate State?" The answer is simple enough. There is no differ-

entiation whatever between the sexes. Women employed in industry would, of course, be members of their appropriate category, and would exercise their franchise in just the same manner as the male members. Women not engaged in any cultural, professional, or industrial occupation, and not being a member of any charitable or service association coming within the purview of the Corporate organisations, or not being otherwise qualified to vote as a shareholder in some business or other activity, would have a vote in one of the Autonomous Federations already provided in Corporation IX.

The following table shows in more detail the proposed composition of Parliament:—

CORPORATION I.—PRIMARY PRODUCTION.

Federations.	Electorates:—	Number of Members.				Total.
		Capital.	Management.	Labour.		
Federation 1: Crazing		12	..	0	..	3
Federation 2: Wheat-growing		6	..	0	..	3
Federation 3: Dairying		4	..	0	..	2
Federation 4: Fruit-growing		2	..	0	..	1
Federation 5: Mixed Farming and Poultry		6	..	0	..	2
Federation 6: Wine Production		1	..	0	..	1
Totals		31	..	0	..	12

CORPORATION II.—SECONDARY INDUSTRY.

Federations.	Electorates:—	Number of Members.				Total.
		Capital.	Management.	Labour.		
Federation 1: Clothing and Textiles		1	..	..	1	2
Federation 2: Foodstuffs, Beverages, and Narcotics		1	..	..	1	2
Federation 3: Metal and Engineering Industries		1	..	..	1	2
Federation 4: Furniture, Wood-working, etc.		1	..	..	1	2
Federation 5: Automobile and other Transport Vehicles and Accessories		1	..	1	..	2
Federation 6: Printing, Publishing, Paper Products, and Bookbinding		1	..	..	1	2
Federation 7: Chemical, Surgical, Medical, and Scientific		1	..	..	1	2
Federation 8: Miscellaneous		1	..	..	1	2
Totals		8	..	1	..	8

CORPORATION III.—COMMERCE.

Federations.	Electorates:—	Number of Members.			Total.
		Capital.	Management.	Labour.	
Federation 1: General Merchants, Importers and Exporters	1 ..	1	1	2	2
Federation 2: Master Retailers (City)	1 ..	1	1	2	2
Federation 3: Master Retailers, General Stores, etc. (Country)	2 ..	2	1	3	3
Federation 4: Suburban Retailers	1 ..	1	1	2	2
Federation 5: Distributors, Manufacturers' Agents, and Brokers (other than Sydney Stock Exchange and Insurance)	1 ..	1	1	2	2
Federation 6: Real Estate Agents	3 ..	3	1	4	4
Totals	9 ..	1	6	16	16

CORPORATION IV.—COMMUNICATIONS AND
TRANSPORT.

Federations.	Electorates:—	Number of Members.			Total.
		Capital.	Management.	Labour.	
Federation 1: Railway and Tramways	1 ..	1	1	2	2
Federation 2: Land Transport, exclusive of Railways and Tramways	1 ..	1	1	2	2
Federation 3: Harbour Transport	1 ..	1	1	2	2
Federation 4: Air Transport	1 ..	1	1	2	2
Federation 5: Shipping and Sea Transport (Overseas)	1 ..	1	1	2	2
Federation 6: Shipping and Sea Transport (Coastal)	1 ..	1	1	2	2
Federation 7: Post, Telegraph, Telephone, Radio, and Cable Services, Internal and Overseas	1 ..	1	1	2	2
Totals	7 ..	1	7	15	15

CORPORATION V.—CONSTRUCTION.

Federations.	Electorates:—	Number of Members.			Total.
		Capital.	Management.	Labour.	
Federation 1: Building	1 ..	1	1	2	2
Federation 2: Engineering (Mechanical)	1 ..	1	1	2	2
Federation 3: Engineering (Electrical)	1 ..	1	1	2	2
Federation 4: Metal Quarries	1 ..	1	1	2	2
Federation 5: Brick and Tile, and Pipe Makers ..	1 ..	1	1	2	2
Federation 6: Water, Sewerage and Drainage ..	1 ..	1	1	2	2
Federation 7: Timber	1 ..	1	1	2	2
Federation 8: Miscellaneous, Building Material ..	1 ..	1	1	2	2
Totals	8 ..	1	8	17	17

CORPORATION VI.—BANKING, INSURANCE, AND FINANCE.

Federations.	Electorates:—			Number of Members.	
	Capital.	Management.	Labour.	Total.	
Federation 1: Banks, Trustee Companies, Dis- count and Credit Companies	3	..	1	..	4
Federation 2: Life Assurance	2	..	1	..	3
Federation 3: Fire, Accident and General Insur- ance	2	..	..	1	.. 3
Federation 4: Members of Sydney Stock Ex- change	1	..	1	..	0 .. 1
Federation 5: Financial and Insurance Brokers ..	1	..	..	1	.. 2
Federation 6: Moneylending (other than Banks) ..	1	..	..	0	.. 1
Totals	10	.. 1	.. 4	..	15

CORPORATION VII.—MINING AND SMELTING.

Federations.	Electorates:—			Number of Members.	
	Capital.	Management.	Labour.	Total.	
Federation 1: Coalmining	2	..	..	6	8
Federation 2: Iron and Base Metals	1	..	..	3	4
Federation 3: Gold and Precious Minerals ..	2	..	..	1	3
Federation 4: Other Metalliferous Mining not specified above	1	..	..	1	.. 2
Totals	6	.. 1	.. 11	..	18

CORPORATION VIII.—LEARNED PROFESSIONS, ETC.

	No. of Members.				
Federation 1: Churches	..	..	..	..	3
Federation 2: The Judiciary ..	..	..	..	..	1
Federation 3: Law (Bar) ..	..	..	..	..	1
Federation 4: Law (Solicitors)	..	..	..	..	1
Federation 5: Medicine	..	..	..	..	1
Federation 6: Nursing Profession ..	..	..	..	..	1
Federation 7: Architects and Surveyors	..	..	..	..	1
Federation 8: Civil Engineers	..	..	..	..	1
Federation 9: Chartered Accountants	..	..	..	..	1
Federation 10: Dentists and Optometrists	..	..	..	..	1
Federation 11: Universities	..	..	..	..	1
Federation 12: Schoolteachers (Private and State Schools)	..	..	..	..	1
Federation 13: The Army	..	..	..	..	1
Federation 14: Navy and Air Force	..	..	..	..	1
TOTAL	..	..	..	..	16

CORPORATION IX.—MISCELLANEOUS.

	No. of Members.
Federation 1:	
Public Service	1
Federation 2:	
Friendly Societies	1
Federation 3:	
Entertainment Industry ..	1
Federation 4:	
Housewives' Association	1
Federation 5:	
Returned Soldiers & Sailors' Leagues	1
Federation 6:	
Maimed Soldiers	1
Federation 7:	
Sporting and Recreative Associations	1
Federation 8:	
Art, Literary, and Scientific Associations ..	1
Federation 9:	
Journalists	1
Federation 10:	
County of Cumberland Autonomous Federation ..	1
Federation 11:	
Northern Rivers Autonomous Federation ..	1
Federation 12:	
South Coast Autonomous Federation	1
Federation 13:	
South-west and Riverina Autonomous Federation	1
Federation 14:	
West and North-west Autonomous Federation	1
Federation 15:	
Northern Tablelands Autonomous Federation	1
Federation 16:	
Local Government, Statutory Authorities and Allied Services	1
Essential	
TOTAL	<u>15</u>

TOTALS.

Corporations I. to VII.:

Capital	79
Management	6
Labour	56
Corporation VIII.	16
Corporation IX.	15

Grand Total for All Categories	172
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Note.—The number of members is inserted purely by way of suggestion. They may be altered on further consideration, or in the light of experience, without interfering with the principle.

Any apparent anomaly in the above scheme of Corporate Representation merely serves as an illustration of how utterly unrepresentative and ridiculous our present system is where not one category is directly represented.

CHAPTER VIII. UNEMPLOYMENT.

Unemployment means "over-population," though not necessarily too much population. In Australia it means the inefficiency of government, and too little population. The causes discussed—Solutions considered.

Unemployment is the greatest problem in the world to-day. It directly concerns the religious and moral outlook of peoples; it is intimately wrapped up with political structure and financial policy; and its implications are potent factors in the peace of the world. It cannot be regarded as a temporary problem, as merely symptomatic of a slump or depression. It is a condition that is definitely permanent until the institutions of mankind, cultural, political, and economic, are in harmony with a practical philosophy of existing conditions.

Legislation and government have, particularly during the present century, been directed to creating temporary remedies for the glaring faults and inequalities that have developed during what may be called the Liberal Democratic era.

Contrary to the theory of popular government, our affairs have gradually passed into the practical control of one minority or the other. The concentration of the public on to the real causes and actual results of extreme capitalism is neatly diverted to an emotional consideration, from time to time, of measures dealing half-heartedly with results of social and industrial inequalities while completely ignoring the causes.

While this process has been going on, the natural link between politics and industry has consistently grown weaker and weaker. I ignore for the moment the usual backstairs intrigue between political heelers and vested interests.

The alternating control of right and left minorities has brought politics to the level of being merely a tool in the

hands of the governing minority, to fashion the industrial situation to its own needs and advantage.

To-day, therefore, with the effects of the Great War showing up in glaring relief the weaknesses of our system, the nation is not only without leadership, but without present means of obtaining leadership to grapple with existing problems. The greatest problem of all—unemployment—has consequently remained entirely unsolved after it has been in our midst for over four years. Nationalists are raising loans and "passing the buck" to coming socialist government.

Unemployment is only another name for over-population. Over-population means that there are more individuals in the community than there are jobs. That is to say that the production and distribution of goods and the carrying on of essential services and administration is limited to those actually in employment, and the balance, the unemployed, are unnecessary, and a clog on wealth production.

From a national point of view, a sentimental consideration of the problem can lead us nowhere.

Far be it from me to seek to discredit the charitable acts of individuals, or groups of individuals, to alleviate the conditions of their less fortunate countrymen. On the contrary, help of this kind deserves the highest praise. But for officially sanctioned charity to colour the whole policy of government with a practically undeveloped country like Australia is not only ludicrous, but it shows complete failure to understand what the problem is and the need for its permanent solution.

In countries where the development of resources has reached and, in some cases, exceeded its maximum, where the employment of the effective population can only be contemplated during periods of active prosperity, the case is entirely different.

In such circumstances, the Government is faced with the employment of temporary measures to tide over the need of the moment. These measures may take the form of largely unnecessary public works or direct payments to the unemployed out of levies on the producers of wealth. The only other way that such a country can tackle the problem

is definitely to set out to export its surplus population, if it is fortunate enough to be able to do so, until the actual population is not greater in numbers than the sum of those who can be employed in the normal work of the nation.

I can regard with indifference most of the anomalous conditions that are the direct result of so-called popular government, and my reaction is one of pity to the spectacle of a vast majority of decent people being systematically duped by a commercially-minded few, but it is the problem of Unemployment that is the direct cause of my interest in public affairs.

The injustice done to the unemployed is bad enough—the fact that the youth of the country cannot normally find employment is a great deal worse; but the real seriousness of the position has two far more grave and fundamental implications. The first is that our conditions prove Australians to-day to be an inefficient people—a people underserving of the promised land in which it finds itself. The second is this: That an inefficient people have never in the known history of the world, for any length of time, remained masters of a rich territory. It is impossible to escape from either of these implications. If it is admitted that the rulers of the country are as a class below the average standard of intelligence, then a people who tolerates that system is decadent. Some stout champions of our present Party System aver that our politicians are statesmen, but actual facts show that these statesmen are unable to find opportunities for employment for $6\frac{1}{2}$ million people where 20 times the number should find health, wealth, and happiness. Europe, no larger than Australia, has a population of 270 million.

The charge of inefficiency cannot be side-tracked by suggesting that we have not had the opportunities of development, for the fact is that Australia has, in past years, gone in for an orgy of borrowing from overseas interests, and it has proved itself utterly unequal to the task of spending that money properly.

The unemployment problems of the rest of the world do not offer any excuse to us in Australia for having one man out of employment. In fact, the converse applies.

The agony of the Old World was, and still is, our opportunity to consolidate and develop this country to the extent that it can be held for all time against aggression.

I am so tired of hearing fatuous statements that we depend on the prosperity of the rest of the world for our prosperity.

This is merely a trite commonplace, true only because of our failure to concentrate upon the sources of wealth that are to our hands.

Let us admit that the task of the present Government is an unusually difficult one—difficult because the Party System, politically and industrially, has gorged and grown fat upon class bitterness. Difficult because politicians have encouraged the people to believe that the arbitrary division of the electors into two bitter, but leaderless, armies was the natural structure of the nation. It is entirely impossible for them at the present time, with their record of insolvency, insincerity, and unfulfilment, to persuade the people that co-operation is the first essential in national development.

I go so far as to believe that if the country remains in the grip of party politics, unemployment will never be solved satisfactorily, and Australia, in consequence, will never be developed. It is true that periods of boom may temporarily overcome the problem and may encourage mushroom growths, only to make the ensuing and inevitable slump all the more severe and injurious in its consequences. Some major causes of unemployment may be listed under the following headings:—

- (a) The Party System, with its consequential class warfare and its minority rule.
- (b) Industrial legislation, having the effect of grouping the population in large cities, where too large a proportion of the population are unnecessary, uneconomic, and merely the creatures of artificial conditions having no economic justification.
- (c) The financial system of lending against the capital assets of production on the overdraft system. That is, where the lender can demand repay-

ment at any time (moratoriums excepted), and where sums represent a large proportion of the capital assets lent against, so that repayment is a matter of physical impossibility, particularly as the lenders form themselves into groups and adopt more or less uniform policies.

A comment that I cannot refrain from making at this stage is that the moratorium legislation itself is a direct admission by the Governments that pass it that the financial system is not suitable to conditions of financial stringency. The fact is that the test of any system, just as the test of any soldier, is in reverses, not in success, and a system that creates undue hardships in times of stringency stands condemned irretrievably.

- (d) The unnecessary proportion of non-producers in the community, which is one of the direct results of the Party System, and of the policy of socialistic control, which is a common plank in the administration by both the U.A.P. and the Labor Party. Under this cause I include the whole structure of over-government, with its staggering cost.

The whole of our present economic fabric is artificial, and has been brought about by individuals who, if they have any ideas at all, profess themselves to be adherents of the classical school of laissez-faire, and are bitter opponents of planned economy or national direction.

Let us examine these causes in a little more detail. The Party System in its non-democratic structure is dealt with in a separate chapter. I am here more concerned with it as a cause of unemployment.

Nothing worth while that is the work of more than one man has ever been achieved without co-operation, and the division of the country into two warring classes renders co-operation impossible.

The Party System definitely ranges itself behind, and is the supporter of, the Marxian doctrine that Capital and

Labour can never be reconciled. And, incidentally, it is useless for either party to rant against Karl Marx when they both support his basic theory and make it a practical system of politics among the people.

The Party System, having been developed as a means of gaining temporary advantage by one artificially-made class over the other, renders impossible the ideals of statesmanship or leadership.

To develop any country or to fight any battle there has to be leadership and authority, and there has to be co-operation and discipline, and, more particularly, self-discipline. The discipline of the State is merely composed of the general will; the self-discipline of the individual is essential to attain co-operation.

Whether I write a line or a book, or a set of volumes on this aspect, I cannot do more than lay down that the Party system is unsuited to develop a country because it is incapable of leading, and it renders the co-operation of the masses impossible. It brings a contempt for government and a slackening of standards.

How do the political parties to-day relieve unemployment? They merely take money out of the pockets of those who earn to give theoretically to those who are not able to earn.

In fact, the actual result is entirely different. They set up expensive administrations which take quite a share of the money raised for the purpose of assisting unemployment, and they utterly disorganise the unemployed by humbling them, in their need, to the acceptance of such kinds of weird employments. They graciously allow the unemployed to act as coolies or to accept the status of slaves.

It is this disorganisation, however, that is tragic in its results.

Of these results, two are outstanding. There is one class of individual who finds that dole work suits his temperament. It gives him plenty of leisure, just enough to eat, and sufficient exercise to keep him fit. His utility from a national point of view is rapidly destroyed. Like many an individual who went into the army during the war, he contracts his

ambitions and outlook to his immediate surroundings, and an enforced period of this kind of life unfits him for his normal work in a properly organised community.

Then there is the other class—the man who is forced, with shame and loathing, to accept public charity, either by way of outright contribution, or poorly camouflaged in the guise of relief work. With this class, which is happily in the big majority (I say "happily" because of the moral fibre of the nation), it is only a question of time when continued disappointment and irritation and a sense of injustice render the individuals that compose it incapable of national utility.

When one sees, in passing through the outer areas of Sydney on any day, numbers of men armed with mattocks chipping inoffensive weeds off unused footpaths, or endeavouring, at great uneconomic cost, to convert into parks areas of land in the suburbs, I, for one, must admit a sense of obfuscation at the meaning of it all.

What can the politicians have in their minds, or what they are pleased to call their minds? Can they be so absolutely lacking in intelligence as to think that by spending the wage tax and loan money in this useless way they are doing anything to solve the problem? Or are they so cynically indifferent and so contemptuous of the general intelligence that they think anything is good enough for a people so politically ignorant as the Australians? Are they so utterly incompetent and inefficient as to leave out of their consideration the vast sources of wealth that are at hand for development? Have they no concern whatever for the future of the nation, or don't they even think as far as that? Whether it is incompetence, ignorance, or indifference, or a subtle mixture of all three, I cannot understand the servility of the populace that tolerates such a state of affairs. I confess that if my feelings and understanding were shared by any large section of the community, the present conditions would not continue for 24 hours.

Many people wonder why I am so bitter against the Party System and all it stands for. They don't pause to realise that it has degraded the Australian people to their present level, that it is rendering them more and more in-

efficient, and now, when we are reaping the reward of the political and industrial actions of the fools and knaves for the last 50 years, the only contribution of Party Politics is to endeavour to still further drug the humanity and virility and independence of the people by the aggravated use of narcotics in the shape of Press propaganda and socialistic legislation.

But we need not go back for fifty years. Take Australia since the depression in 1930. There has not been one act by any Government in attempting to deal with the problem of unemployment that a director of any well-organised company would dare to put forward to his shareholders as a practical measure to rehabilitate the particular industry concerned. What would be the position if any Board of Directors met their shareholders and said that their proposals for meeting the adverse conditions were to levy on the shareholders for the purpose of getting the surplus workers to do unnecessary jobs round the factory, while admitting that there were other avenues of employment which would produce profits for all concerned?

It must not be overlooked, too, that the Party System keeps industry poor and unable to strengthen itself against bad times and to keep its operatives in work, because during all periods, whether of prosperity, boom, or depression, it takes every penny that it can to keep in luxury and in semi-idleness the vast and ever-increasing horde of unnecessary non-producers.

Throughout the present century Australian Governments have, without exception, won their way to power by making political promises that had the direct effect of increasing the number directly employed by the State. Every individual employed by the State is taken from industry, and having been taken from industry, he has to be kept in his new and non-productive position by industry—employer and employee alike. The position, therefore, is that once adverse conditions arise, industry is without reserves to meet the situation, because the Government has squandered those reserves in creating useless employment.

I will spare you a detailed analysis of the futility of

Government measures to relieve unemployment, their neglected opportunities, their expensive blunders, because the thing speaks for itself.

The asset is here, the opportunities are here, but the plain fact remains that our present institutions are incapable of producing or selecting leaders to take advantage of what is offered. The short time at my disposal will be better employed in showing what can be done, what should be done, and how it should be done.

The success that crowned the efforts of trades unionism in and around the beginning of the century to create artificial standards of living, which afforded high wages to efficient and inefficient alike, is one of the direct causes of crowding the majority of the Australian population in a few big cities. Naturally, this cause alone was not sufficient. Side by side with it was the creation of the secondary industries that afforded the avenues of employment, and which in turn owed their rise to uneconomic protection, which left a margin of profit in spite of the demands of the unions. Added to this, the policy of the Party System in buying votes every period of three years by promises of further Government employment, necessarily concentrated in the cities, has supplemented the efforts of unionism, with the results that we see to-day. Australian cities are, therefore, largely the result of artificial conditions, and cannot withstand financial or economic stress for any period of time.

As the wealth production of Australia is essentially primary and exportable, the cycle of prosperity must always commence with the primary producer—that is, the producer of raw materials.

The city population is practically entirely dependent for its income on its immediate purchasers, who are, firstly, the primary producers, and, secondly, the population of the city, which in turn can only purchase if supplied with the purchasing power resulting from the successful marketing abroad of primary products.

It will be noted that in a manufacturing country like England the position is the reverse. England derives her wealth from the export of manufactured goods, hence the

producer of raw material for such goods is dependent upon the ability of the manufacturer to dispose of his products abroad, and the cycle of prosperity in England, or in any manufacturing country, accordingly commences with the exporting manufacturer.

I do not want it to be gathered from what I have just said that I am apostle of low wages. On the contrary, as I have said in an earlier chapter, the wages of Labour and the wages of Capital must equal a reasonable division of the wealth produced.

Anyone who merely talks about high wages without reference to the productivity of the industry is a fool. If high wages mean an unfair share to Labour of the net profit of any industry, then it only means that the other element—Capital—forsakes that industry, and there is no employment in the future to be had in it. If it is intended as a general statement it is stupid, because there can be no general principle of high wages. There is an economic limit to all those things. If wages encroach on the reasonable return to Capital, then Capital will, as I have said, forsake the industry. If Capital gets an unreasonably high return at the expense of Labour, then there will be industrial unrest. The only possible solution can be what is fair and reasonable, and the only way to obtain this is the organisation of industry on the corporate plan. The fact, however, remains that the existence of overcrowded cities, with no economic justification, as we have in Australia, must automatically mean severe and unnecessary hardship and unemployment on every occasion that the primary producer receives a poor money return for his products.

Were the Australian secondary industries able to compete with the rest of the world, the case would be entirely different, but this, of course, is purely academic, because with our industrial conditions and relations at the present time, such a thought is utterly impossible of fulfilment.

I have already touched on our financial structure as a cause of unemployment. Following the line of thought in the last paragraph or two, it will be appreciated that the lending against Capital assets of production (I refer in this

instance to agricultural and pastoral properties) on the overdraft system is an element which renders insecure the position of the primary producer in times of financial stress. Its reaction on the general population is readily appreciated when once it is realised that the cycle of prosperity commences in Australia with the primary producer. ✕

Anyone who thinks at all will admit without further discussion that the severity of unemployment was largely, and is still largely, caused not only by the fact that prices of primary products have been low, but because the credit system has caused great anxiety as to the proportion of primary producers who would go out of existence.

The effect of the same system in secondary industries, thought not quite as far-reaching as regards the situation, generally offers a simple illustration of the direct results of the cutting off of credit and/or the demand for repayment of moneys loaned to industries.

We have all had experience of industries that were forced to throw out of employment large numbers of their operatives and staff because of the insufficiency of the credit system to tide the nation over a period of depression.

Now, it is idle for people to argue that business should be so safe, so soundly conducted, and so well capitalised with internal capital that it should not have to lean on the banking system. To admit such an argument means that Australia will never be developed. The argument has a great deal in its favour in a country like England, that has its centuries-old organisations, but in a new country, capital must be found for the development of industries, both primary and secondary. Even in England the policy of all industries is to finance on long-term debentures at low rates of interest, and to create sinking funds for the repayment of capital on or before due date, and reserves to meet interest payments when the profits are not sufficient to do so. The position of such industries and Australian industries is identical.

A farmer must be in a position to know that the credit that he has borrowed to develop his asset will, with prudent management, not be repayable until a date which is in keep-

ing with the task in hand. If a farmer has an area of undeveloped or semi-developed land, he can go to work with a will and with confidence if he knows his only obligation over a period of, say, twenty years is to create a sinking fund over that period for the repayment of his debt, and to meet interest out of the yearly produce.

If he is prudent he will create an interest reserve during years of plenty to provide him with the means of payment during the lean years.

As indicated in another chapter, I emphatically say that interest on money lent to industry must never, under any circumstances, exceed a proportion of the annual product of that industry.

If a farmer or a manufacturer can fulfil his obligation to remunerate the finder of credit by a proportion of the wealth produced, not arbitrary sums in money calculated by fixed rates, then there can never be a real depression or serious unemployment; wages, of course, fluctuate with conditions due to the limited spending power of the community in times of stress, but there can never be the spectre of despair such as so many of our citizens have had to face unnecessarily during the past few years.

On the other hand, look at the position of a farmer who is granted the same amount of credit which is repayable on demand, or in the course, at most, of a very few years. He has to gamble from start to finish. If he spends it in improving the asset, he has to gamble that when the money is to be repaid there will be somebody else who will come forward with similar facilities to enable him to do so. He has to gamble that the money expended will, when required, create an asset of greater value, so that he can obtain a renewal. He has to gamble that the price of his products will equal the interest at an arbitrary rate and leave him enough to keep body and soul together.

In the case of our banking system, the lender arrogates to himself the right to increase or decrease the rate of interest according to the money market.

The variation of interest as far as our producers are concerned must automatically lower with the lower price of

products, because any system that seeks to obtain more for its credit in bad times than in good times out of industry is not only unjust, but must have a ruinous effect on national welfare. It has to be again realised that wages, salaries, dividends, and interest must all come out of profits, and it is illogical and wrong, seeing they are all essential elements in the production of wealth, to consider the cost of any one of them as cost of production.

Although it seems crystal-clear that long-term advances at reasonable rates of interest, fixed by the necessity of the time instead of by the lender, would not present attractive investments for banking institutions, I hasten to say that the banks should be afforded opportunities of and encouraged to accept this form of security for the employment of their funds if they so desired; but their contributions, even if made, could only amount to a proportion of the necessary credit requisite for industrial development.

It seems perfectly obvious that the main fulfilment of such credit must be obtained in one of two ways—either from abroad, or created internally by the Commonwealth.

In regard to these alternatives, I cannot see why it should be sound finance for financial interests abroad to invest on the securities offered in this country, and at the same time to be unsound for the Commonwealth, through the Commonwealth Bank, to create credit on identical security. Nor can I see why it is allegedly sound for Governments to borrow vast sums abroad or at home, and definitely and absolutely squander those sums on assets that can never be worth anything, either in capital or interest, and which are spent similarly to a packet of sweets being broadcast in a scramble to a number of small boys, for their immediate pleasure and probable later stomach-ache, and at the same time considered prodigal to apply money so raised as credit to the individual producers of the country on terms of the best security, viz., certain annual interest payment and ultimate repayment of capital. Incidentally, it is not the borrowing by Governments or the amount borrowed by Governments that is to be deplored, but the application by Governments of the funds borrowed.

Reducing the matter to simple principles, for a man to borrow a pound to spend in drink is opprobrious; to borrow a hundred pounds for immoral uses would involve him in a greater degree of turpitude, but were he to borrow ten thousand pounds for a legitimate business proposition to add to his usefulness as a producer of goods or services, and to put that money to its proper use, would be entirely laudable—all things being equal. It is precisely the same thing with Governments. They raise credit at home and abroad to squander, leaving present and future generations the task of finding the interest and sinking funds out of industry utterly unconnected with the proceeds of the loans.

Were I, by some strange concatenation of circumstances charged with the responsibility of solving once and for all unemployment, I would of necessity create either by foreign loan, internal loan, or, and preferably, the creation of credit through the Commonwealth Bank, a loan fund probably amounting to two hundred millions; but this would be a capital loan—not a further contribution to Australia's hitherto primary industry—borrowing money. And having raised the money, I would lend it on long-term advances to approved industry. The borrowerer would pay the interest—not the taxpayer.

And let it be remembered that the solution of unemployment and the development of Australia are inextricably wrapped up—neither can be solved without the other.

It is idle to try to bring back 1928 conditions without radical reorganisation of society. From the point of view of the individual the first thing that must be realised is that everyone physically and mentally capable must work. It is a primitive duty for a man to earn his own bread and the bread of those dependent on him. It is the duty of the Government to provide the opportunity.

The small proportion of "unemployables" has no claim to existence, any more than the Communist. They must be forced to earn for themselves. In other words, the lack of self-discipline must be supplemented in that case by national discipline, and every care must be taken eugenically that they have no opportunity of reproducing their species.

The only adult people who should be relieved of the obligation to work are the mentally inefficient and the very old. The former are definitely a charge on the State; the vast majority of the latter should be a charge on the industries in which they worked during their working years; the balance that cannot come under this category are also a charge on the State.

It is a trite saying by many would-be statesmen that industry is the only means of absorbing unemployment; but this statement, though true enough, does not get one anywhere. The first point to consider is why industry cannot at the present time absorb unemployment. Taken by and large, existing industries can materially assist to-day in helping solve the problem provided the burden of unnecessary taxation is removed, including the cost of unemployment.

This burden can be removed; firstly, by reducing to a minimum the cost of public administration; and, secondly, by developing those industries which offer the necessary fields to absorb both the unnecessary non-producer and the balance of the unemployed that cannot be re-absorbed in existing industries.

The avenues offering are clear, definite, and unmistakable—they lie in the development of the resources of the continent.

Let us deal firstly with agricultural and pastoral resources. It is, of course, idle to ask farmers and graziers to employ more than they are employing at the present time. Their businesses are individual businesses, and can only absorb the labour required from time to time to run them efficiently. The development lies in the settling in suitable areas all those that are at present an unnecessary drag on existing industry.

Now to settle people on the land you must get the land. Nobody will deny that there are millions of acres of fertile country, well-watered and well-situated in Australia at the present time that are not being fully utilised.

These areas are held either by the Crown or by individuals. As the natural result of land selection the Crown areas are to a very great extent unsuitable for present pur-

poses, and although there is quite a lot that can be done with existing Crown lands, it is by acquiring land from the existing private holders that the necessary areas must be obtained for closer settlement.

Here we are immediately up against a real problem, and one of the causes of unemployment which I should have enumerated earlier. The fact is that, excluding the Northern Territory, the best land for closer settlement is in the hands of private holders, who are not making proper use of it. And if you want to buy it, you have to pay a price equal to what it would be worth when developed, instead of what it is worth in the hands of the present holder.

Very few, if any, are greater advocates of private ownership than I am. But, nevertheless, I say there must be a definite limitation of the principle where valuable sections of the national asset are lying unproductive, or, at best, only fractionally productive.

If a man owns land which is overgrown with noxious weeds, or is merely growing a mixture of trees and grass where it ought to be producing, say, lucerne, it is not only that man that is deprived of the income that could be obtained from the area, but proportionately the whole nation.

But I assert that such an owner has no moral claim, and should have no legal claim to continued ownership. At best he should be paid the capital value of the area, and his land expropriated by the Crown, to be sold in turn to someone else who could make full use of it.

Unquestionably the present landholders have too much land. I except from this statement certain grazing areas that have probably reached their maximum capacity under natural conditions, and are unsuitable to more intensive cultivation or pasture improvement.

I know it will be unpopular, but I say that the fact of the average farmer having too much country has made him a lazy man. He prefers to run, say, thirty cattle on a given area, where Nature will provide the requisite food and water without labour to himself, to running double the number on half the area by means of intensive cultivation and pasture improvement.

In the former instance he can bask in the sun and dwell upon the injustices to the primary producer, but in the latter he would have to work and aid Nature to increase the productivity of the smaller area.

But what a difference between the two as national assets! Look at the effect on national income, leaving the individual quite out of consideration. Yet the former is typical of the conditions ruling in the more fertile districts of Australia to-day.

I naturally except from the theory of expropriation the man who is developing his property in conformity with a businesslike plan, and who is able to show that progressively as the years go by the asset will, in his hands, reach its maximum productivity.

To return to the problem. The majority of the areas for general settlement will have to be paid for. How are they to be paid for? There are several ways, but this seems to me simple and effective. Issue to the vendor a land bond equal to the purchase money. On the surrender of that bond at any time it will be cashed by the Commonwealth Bank. The bank then holds the bond as against the property expropriated, and that bond operates as a first charge on the area until it is redeemed in, say, twenty years by the settler who takes over that area, or his successor in title.

The interest on the bond will equal, say, one-half of the nett value of the annual produce of the area. The new settler, therefore, has, we will say, a period of 20 or 30 years, by means of an annual sinking fund of his own creation, to find the capital value of the property. If he fails to redeem it on its due date, then, as far as the nation is concerned, the property is well secured by the bond over it. Over a period of 30 years the original bond should be but a fraction of the value of the property, and, naturally, any balance would be to the credit of the owner. Then, of course, each settler must have in his hands sufficient liquid credit to provide plant, seeds, and maintenance for, say, twelve months. This, too, is provided, and represented by a further bond (which I will call Bond No. 2) with a currency of, say, six years. It is paid for by a fractional part taken over the period

decided upon of the value of the annual produce, and whatever that amounts to over the period will be taken by the Government in satisfaction.

Now, once on the property, what is the settler to do? Here let me interpolate the essential difference between a family living in a back street, say in Croydon, and the same family on a farm of reasonable area and fertility.

In the first case, there is only one producer—that is the man. The wife and family depend upon him bringing home every pay day sufficient proportion of his wages for their upkeep until the next pay day. Whereas, in the case of primary production, the effort is a family one. All members of the family, without any hardship, can enthusiastically take part in the work of production to their mutual benefit, and to their individual health in body and mind. Instead of having to play in the streets and gutters of some overpopulated industrial suburb, and facing the unsavoury precocity that such an environment engenders, the children are brought up in healthful surroundings; they take an interest in outdoor occupations, their playgrounds are almost unlimited, and their bodies are made healthy. Many a family in the city of Sydney is dependent on one weak member—the man—perhaps with the vice of over-indulgence in beer—for its whole future. The ability of the wife at best is limited to the administration of the small wages that come in, and what is often left over from the pub. and the races. Whereas, on the land she can take an active part in the development of the asset, and is, to a degree, semi-independent of the weaknesses of the man. Her abilities can be employed in the production of nearly everything that is needed for food, and quite a lot that is necessary for clothing.

The essential difference between the city and the country from the working family's point of view is that in the city it is the individual effort; in the country it is the family effort; and the children are automatically being fitted to carry on the work and the tradition without long periods of unproductiveness, and without the grind of workshop or factory.

The newspaper critic immediately exclaims, "Why are we having the quota system forced on us at the present time?"

What on earth are you going to do with all the further goods that are produced? We cannot use or sell what is already in Australia, without producing more."

Such arguments as these which I have heard so many times are either the product of ignorance, or impenetrability. The whole basis of the scheme for settlement is production for consumption, and not production for exchange. That which is needed for exchange in the way of interest or sinking fund on Bond No. 2 can be satisfied in specie—not in terms of arbitrary money. Where money is required to purchase those things that cannot be produced on the property, the small proportion that is needed can particularly under the Corporate State with its national direction, be easily obtained by producing those things for which markets can be found. For the rest, the main needs of a household, if the business is carried on as an industry, the property itself can produce practically all.

Must we for ever pretend that Australia is in advance of other countries in primary production? Apart from wool and wheat the reverse is the fact. Because the large areas available have conduced to the use of modern machinery in both sowing and taking off crops of grain, and because the vast grazing areas and the consequential number of sheep under the control of one owner have rendered simple the introduction of more efficient methods than most countries enjoy in the shearing and handling of wool, so many of us assume that we are in all departments of agriculture and in grazing pursuits the superior of other nations.

Pioneering effort calls for some measure of hardship, but there can be no possible excuse for the wretched home standard of most of our farmers.

That is a straw which shows the way the wind blows.

If you go to the richest areas of New South Wales, notably on the North and South Coasts, you will see people in possession of large and valuable holdings living like Kaffirs. Their dwellings are tumble-down galvanized iron affairs, situated, in most districts, within easy reach of magnificent timber, and in a number of cases, where the timber is growing on the property itself.

Food is bought across the counter at the local store. Most articles of diet are yanked out of cans, while the property, efficiently worked, would be capable of producing at practically no cost the very things which are bought at retail price out of the exchangeable products of the farm.

If you go to almost any average farm—wheat or dairy-ing—it is appalling to observe the utter lack of interest taken in the home life.

There is generally the lone pepper-tree, the Kurrajong, or the solitary pine tree, a few pitiful flowers that persist in growing—the survival of a short period of enthusiasm when the home was first occupied. There is seldom a vegetable patch, or a decent poultry-yard, nor any evidence whatever of home industry, of thrift, or of organisation.

The property itself is not the subject of any plan of development, and its productivity is not even 50 per cent. of what it is capable of.

Both the man and the woman are ill-trained and sometimes lazy. In the case of the man this is proved by the fact that under good conditions in a temperate climate the land produces much less in the main rural districts than is the case in other lands that suffer from rigours of climate, sourness of soil, and much more adverse conditions. Compare, too, the wretched little homes they are content that their wives and families should live in.

The women, too, are appallingly bad cooks, and deserve the rotten conditions they are content to put up with. The food, the lack of garden, of home industries, are eloquent of their mental inactivity and squalid outlook.

On the other hand, have a look at the small farms of England and Europe, and see the difference. In all these countries the main object of the farm is a home; the working of the land surrounding that home, however circumscribed its area, is the industry, the means of producing the necessities of life.

Compare for one moment the farmhouses in Belgium, France, and Germany, with their solid outbuildings and comfortable dwellings, with the shanties put up by the pioneers, that our people are still living in.

Take the Italian farmer (forty-six per cent. of the entire population are on the land). He produces from his small area practically everything that the Australian farmer buys in cans across the counter. His farm produces his wheat which is the basis of his macaroni and bread. He produces his own wine, poultry, eggs, milk, butter, cheese, meat, vegetables, fruit, leather, tobacco, and bacon, and it is only his surplus that has to be marketed to produce money to purchase the few things that his farm will not grow.

The farm is a constant source of occupation for all concerned.

Our system of land development must be directed to creating industries similar to those carried on by the European farmers.

I know many of our unemployed will say, as some have said to me: "But I don't want to go on the land. I want a job on wages." Well, the plain answer is that beggars cannot be choosers. If conditions alter from time to time there is nothing to stop anyone changing his occupation in a free country; but in the meantime, no one should be the recipient of public charity while the country itself offers opportunities of self-sustenance, and the individual in sustaining himself is adding to the value of the national asset.

And might I point out that in other countries with rigorous climates it is the dream of the average man to buy a small estate.

I know the question of marketing produce is a stumbling-block in the minds of many thoughtful people on the question of land settlement. But let me point out that the Corporate System in industry largely tends to solve this difficulty. Instead of unofficial bodies like the Graziers' Association, or the Fruitgrowers' Association with no legal status, and their main job to try and get the ear of the Government, the Corporate System means that every industry is directly associated with the Government on matters of national importance, and on questions relating to the industry solely they are the masters of their destiny.

The community of interest established by the zoning of kindred industries means that the question of marketing

can be efficiently handled by those concerned, instead of relying upon Parliamentarians or secretariats with no knowledge of the industry at all to make arrangements with purchasing interests overseas either direct or through other politicians. Besides, each corporation is in a position to set up an expert marketing organisation of its own.

Take the Australian wines as an instance. At the present time in England there is a general disposition to buy Australian wines. County people who have suffered in the post-war depression are now attracted as never before to looking to Empire products to satisfy their wants. People who would once never look beyond the produce of France are now seeking to get what Australia can send them.

We have to depend on English merchants, who are seeking their own profit the whole time. In the vast clearing-house of London our wines are more than likely to lose their identity. If they are very high-grade they are (as I was informed in London last year) classed as French. If they are of low quality, then they are merely packaged unattractively, and sold in the cheaper areas.

With the winegrowers invested with a legal status, and a say in the country, they would be able to establish their own marketing system in London with their own representatives. They could ensure a proper grading of the wines, and establish a goodwill which would pay the grower in Australia handsomely.

It is in my view axiomatic that marketing cannot be done through political or semi-political organisations, and, on the other hand, voluntary associations of more or less indigent growers cannot hope to hold their own in the markets of the world. The Corporate Marketing System means that the grower is always in touch with the markets, and the representatives of the corporation are active members of the industry. They can advise the individual growers as to the opportunity for sale of particular products, encourage the growing of things that can readily sell, and discourage those that have no market.

I assert with all confidence that with a council of corporations looking after industry generally, and each indi-

vidual corporation looking after its own particular affairs, the national income of Australia could be expanded in a very short time to a figure not hitherto dreamt of.

And so much for pastoral and agricultural pursuits.

But let us look at other resources that the continent offers for the production of wealth. Take the metalliferous industry. This field offers vast opportunities. To-day, except for sporadic activity, and with the further exception of a few powerful units, practically nothing is being done. Yet we have within the Commonwealth mineral deposits of all classes and descriptions, which, in the hands of a virile and industrious people, would employ more than the total number of unemployed in Australia at the worst period of the depression.

Our politicians, however, appear to prefer to take the money of those who are in work to pay to the unfortunates who are idle, either by dole payments, or else in money for utterly useless objectives.

Here, again, look at the advantage of the Corporate System. If money is required to develop an industry which the public either cannot or is not prepared to provide, credit could be made available by the Government to, say, a Mines and Metals Corporation, where it could be parcelled out to industries for the purpose.

This is only another way of saying what I have said before, that public credit, which is a charge on the people, must be utilised for the establishment of industry, instead of being squandered in useless objectives. The fact that public credit properly utilised can assist an industry and add to the general prosperity of the country is clearly illustrated in the case of Mount Morgan. In this case the company owned a huge ore body. It had its machinery; it knew how to treat the ore, but it had not the money to pay the wages and instal some additional plant to get into production.

The Queensland Government advanced it the money. Within a very few months not only was a highly successful industry established, employing some 300 men, but every penny lent by the Government was repaid with interest. And not only that—look at the effect right through the com-

munity. The weekly wages from the mine re-established the prosperity of the township of Mount Morgan. The prosperity of this township had its immediate effect on the city of Rockhampton, and its ramifications were much more extensive than this. The continuance of the industry meant the purchase of further equipment and large quantities of consumable stores in the form of explosives, oil, and electrical equipment, and of the hundred and one items that are needed in the upkeep and maintenance of a large plant. Coal was required for the power production, chemicals for the treatment. The railways received their quota of transport of those goods and products, the shipping industry its share in the carriage of stores and concentrates, the wharf labourers their share of loading and unloading, the shareholders their dividends with which to purchase goods—shareholders scattered over the length and breadth of the Commonwealth.

These are a few of the many results of one unit of wealth-production being established.

These seems to be a curious conviction that no industry is worth financing unless the banks finance it. "If the banks won't finance it," they say, "then why not?" A very choice theory—from the point of view of the bankers. In a Corporate State the whims of money-lenders take second place to the needs of the nation.

Mount Morgan is only one of countless units in the Commonwealth that could be similarly operated in various branches of mining.

It is no idle flight of a Douglas Credit imagination, but it is an actual example of a national dividend being distributed to those who deserve it through lending their labour or brains or their thrift to the development of one tiny pin-point of an enormous country.

Earlier in this Chapter I indicated that the present unemployment policy could only be justified if Australia were an archipelago, wherein each big centre of population was an island, and each small centre an atoll.

Political policies for unemployment have no intelligent relation to the needs of an undeveloped continent. The

arbitrary division of the Commonwealth into sovereign States also retards the development of the country. The whole of the Northern Territory is only a kind of distant relation to a Federal Government that has no constituents worth speaking of in that Territory.

If the voters were there it would be a completely different story. Electors in the settled areas are too suburban-minded to appreciate what opportunities are being lost to them and to Australia. Agricultural and pastoral areas of the Territory are untouched—the mineral deposits too often an excuse to float bogus companies that have no intention of ever working the deposits. They are things too remote from Pitt Street to focus the interest of our parish-pump debaters. We're a suburban-minded people.

It is a pity we cannot realise our destiny. We are no more than the advance guard of a great nation. Our task is to hold and develop our territories and hand them over intact and in better shape than we received them to the oncoming generations. The spoonfeeding of socialistic democracy has so foreshortened the vision of the average Australian that he would rather die in the gutter of some overcrowded area than take courage in both hands and hit the trail for areas that are the same as when Captain Cook first arrived.

We cry out for national direction, which can only be obtained by a radical alteration of the governmental structure. Why not give an opportunity to those who still have some remaining shreds of self-respect and courage and enterprise to repioneer the country?

Determination to the extent of ruthlessness is needed to rid the deserving section of the population from those who have degenerated into professional beggars.

But, above all, it is the youth of the country that must get its opportunity. If the whole of the unalienated assets of the Commonwealth were given free to unemployed youth it would be far better for the nation than keeping them without hope as they are now. Few seem to realise that if this generation of youth is forced into an embittered state of mind through enforced idleness, incalculable harm is be-

ing done, not only to them, but to the whole nation. A great future cannot rest safely upon such foundations.

If the unemployment problem remains unsolved, then it has three definite effects—its injustice and injury to the unemployed, its injustice to those who are employed, and its tragic after-effects which, like cowards, we hand on as a burden to our children.

Were any of the State Premiers anything more than vote-snatching opportunists, here is a sketch of a scheme that should be actually in effect within a few weeks of taking office. They have the powers—why don't they use them?

CHAPTER IX. AN INVITATION TO OUR GOVERNMENTS TO DO SOMETHING.

Here is just one suggestion—with the authority vested in the Government—AND given sincerity of purpose, ten weeks are sufficient to commence the job in earnest—or know the reason why.

NOTES FOR OPERATION ORDER, No. 1.

SUBJECT—UNEMPLOYMENT.

1. **General Idea.**—The world depression following closely on the heels of the Great War has brought about vast and widespread unemployment throughout the world.

The immediate result of this condition was to deflate the prices of Australia's exportable commodities in world markets. This lowering of price levels materially lowered the spending power of Australia's primary producers, and, in turn, our national income. The manufacturers of goods within the country depended on the ability of the local community to purchase and consume their products. The suppliers of services were in a similar position. The lessened national income rendered this impossible. Prices fell, trade became stagnant. Goods had been manufactured, property had been purchased at the ruling rate during the temporary post-war boom. Depression prices meant disposal of both goods and property at heavy capital loss as well as trading loss. Financial interests sharing the general pessimism and fear added to the country's troubles. After four years the problems have remained unsolved. There is still a large proportion of unemployed, and a yet larger number who have but little to live on, and no hope of regaining their former prosperity. A limited class of "newly prosperous" is emerging from the general level. They are the fortunate owners for the most part of artificial uneconomic sheltered industries.

The people in the main look to a return of 1928 conditions in the near future as the only hope of prosperity. Others depend on their chances in the State Lottery. The world cannot be depended upon to re-establish high market prices for many years. The Australian population is artificially centred in large urban areas. The country population does not correspondingly increase.

Australia is a continent practically undeveloped. It offers opportunities irrespective of world conditions for many times our present unemployed. Unemployed means:

- (a) Those out of work.
- (b) The unnecessary section of the Public Servants.

The solution to the problem lies in lightening the taxation burden on legitimate industry, primary and secondary. This will be done by transforming into producers Sections (a) and (b) of the unemployed.

2. **Special Idea.**—The unemployed (a) and (b) will be put to work by being settled on the land in fertile areas. The following time-table will be strictly observed:—

First Week:

- (a) Minister for Lands will cause particulars of—
 - (i.) All Crown lands on the eastern side of the Dividing Range.
 - (ii.) All alienated lands not fully utilised by owners in the same area suitable for subdivision.

To be listed and plans prepared showing—

- (i.) Nature and suitability of land.
- (ii.) Natural timber.
- (iii.) Water supply.
- (iv.) Approximate market values.
- (v.) Home maintenance for mixed farm intensively worked. Settler to be self-supporting in three years.
- (vi.) Existing improvements.
- (b) Minister for Agriculture will—
 - (i.) Work in liaison with Minister for Lands, and will in addition furnish—

- (o) List and costs of necessary plant and tools to equip each settler for each class of production on various classes of home maintenance areas.
- (p) List and costs of necessary seeds, fruit trees, vines, etc.
- (q) List and costs of necessary domestic live stock.
- (r) Nominal role of supervisors, one for each district, to be provided from existing staff.
- (ii.) Draft literature for each class of holding, giving information and technical instruction.
- (c) Minister for Works—
 - (i.) To work in liaison with Minister for Lands and Minister for Agriculture, and will furnish:
 - (i.) Plans and costs of temporary accommodation for
 - (s) Group of settlements for unemployed getting areas ready for settlement.
 - (t) Settlers taking over areas. Both types of structure to be made as far as possible out of local materials available.
 - (ii.) Estimates for fencing wire, and wire-netting as may be necessary.
 - (iii.) Suggestions by his department to assist in work.
 - (iv.) Nominal role of department officers for field work of supervision or construction.
- (d) Minister for Transport—

To be ready to furnish road and rail transport necessary to carry out scheme; and,
To detail an officer to be responsible for transport problem.
- (e) Minister for Justice—

To detail officer to advise on all legal questions.

(f) Minister for Labour and Industry—

(i.) To submit lists of dole recipients, and those employed on relief work, showing trade or profession.

Age and personal particulars.

Married or single.

Dependents.

(ii.) To organise groups for clearing areas, road-making, ploughing, fencing, buildings, etc. Groups to be composed of those with previous experience in each occupation.

Group work to be in anticipation of and ancillary to individual settlement.

(iii.) To furnish ration scales for each group, and make preliminary arrangements for supplies and distribution—applying to Minister of Transport for transport co-ordination.

(g) Minister for Health—

To submit scheme for group sanitation, medical supplies, and hospital arrangements. To be ready to put scheme into effect.

2nd, 3rd, and 4th Weeks:

Co-ordination of scheme by all concerned. Advance parties to be despatched to each area requiring preliminary work.

5th Week-9th Week:

Working groups to join advance parties and commence work.

Each group to be under command of one man selected for the position.

Military organisation to be the order of the day. Group members causing trouble to be automatically disqualified from ballot for available areas for six months.

10th Week:

Commencement of settlement of available areas by unemployed. Preference to married men with families.

Conditions of Acquiring Areas:

(1) For (a) Unemployed—

Title.—Twenty years' lease convertible into freehold at fixed capital value (not to include improvements effected by unemployed groups).

Rent.—None for five years.

Thereafter, 3 per cent. of assessed capital value payable yearly.

Plant and Domestic Live Stock.—To be paid for in three yearly instalments, first instalment in fifth year of occupation.

Plant and Machinery, and Group Improvements.
—No charge.

(2) (b) Unemployed—

Grants of property in fee simple.

Other grants as above.

Half salary for period commensurate with service.

Sustenance.—No money payments. Staple articles of diet to be made available on ration scale for at least 12 months. (All rations to be purchased by Minister for Unemployment wholesale, and district distributing points to be established.) Same to be administered by voluntary committees appointed on each area for that purpose.

Cessation of Dole Payments.—Any unemployed man declining

(a) to work in group parties; or

(b) to settle on available land,

will forthwith forfeit his right to further dole payments or relief work.

Order of Settlement.—(a) Unemployed to be first absorbed; then (b) unemployed, i.e., unnecessary Government employees. The conditions governing this section are separately dealt with.

CHAPTER X. EMPIRE DEVELOPMENT.

Unemployment is inextricably mixed up with the development of our resources. The development of our resources is dependent on British-Australian co-operation. The problems of Britain and Australia are equal and opposite. Therefore, we must closely co-operate for the solution of our respective domestic problems, and for the Empire's welfare.

It has already been said that unemployment and development are inextricably bound together.

I have dealt in a previous chapter with unemployment as regards the present population. I now intend to place before you for consideration its relation to Empire development.

Without wishing to be academic, or to bring in other problems not germane to our discussion, let me indicate in the broadest outline the difference between pre-war England and post-war England.

Prior to the war, England obtained her commercial dominance through being the wholesaler of manufactured goods for a great part of the world. The natural deposits of that small island produced the many basic raw materials—all others her mercantile power obtained from her widespread Empire and elsewhere. The genius of her people with their industry and characteristic honesty produced goods that found markets all over the globe. Where there were markets, but no purchasing power, financial London aided the efforts of the industrial Midlands in creating the necessary credits to enable these markets to be established. The results were satisfactory to all concerned. The borrowing country received goods and the means of development of territories, industrial England found an outlet for her goods. Financial London received dividends in the form of interest on moneys lent, and all the various collateral advantages following on that event.

Aided by the advance in the means of production and forced through the new subdivision of Europe after the war on the self-determination principle of President Wilson and its consequential tariff policies the pre-war customers of Britain became post-war competitors; instead of buying goods they sought to sell. In their efforts they were largely aided by British finance. Peoples with lower standards of living could produce at prices which a long period of prosperity had rendered impossible in England. The result of these tariff policies has bred an intense economic nationalism. The injustices arising out of the Treaty of Versailles have evolved an offensive and defensive racial nationalism. The layout to-day is ill-disposed to international trade. Without detracting for one moment from the determination, the power, and the genius of Britain, I cannot see how she can ever attain her pre-war commercial superiority.

England's main population was trained for nearly a century in manufacture and distribution; conditions to-day mean that she is unable to continue through world competition to employ her nationals as before.

This means that she has a definite, constant, and permanent over-population.

Not having vast territories like Australia, her over-population notwithstanding the efforts to employ it in new phases of production, must, in the main, remain a drag on the people. Financially, this cost is a heavy load. Morally, it is almost a calamity.

Another result which intensifies the problem is that the world depression, plus the shut-door policies of the major dominions, has more or less closed the customary avenues to English emigration.

Take the highlands of Scotland, for instance. That cold and rugged country cannot, even with all modern advancement, do more than keep its average small population. Northern Scotland has never been able to export goods, but her export has been equally valuable—she exported men. To-day she cannot do so, and the world is the poorer.

The dog in the manger policy of Australia as regards

immigration, born of the limited outlook and congenital inefficiency of its political class, has practically closed the door to all British migration. And yet to-day England's export, as well as Scotland's must be men more than goods.

If Britain is to survive and keep her independence of spirit, which as has been wisely said, is her real capital, she must invest not only her money, but also her surplus population. A nation's investment not only a banker's investment.

Now look at Australia. She wants to export goods as far as possible, and import men. It does not matter what prosperity we may have here, we would still be a small population unable to hold the continent, and the greater our prosperity the greater the temptation to Eastern nations.

The problems of England and Australia are equal, but opposite. And more than this, as I have before emphasised, we are only trustees of this territory for the British Empire. It is our duty to develop it, and make it safe. We cannot do it by ourselves, and if there is any real basis in the Empire unity, it is our duty not only to welcome British migrants, but to give them every opportunity, every assistance, to become independent producing units in our Commonwealth.

Let me give you a very simple illustration. Supposing by some miracle we woke up to-morrow and found that, geographically, Australia had been removed from her present position and was anchored touching the coast of Southern England, with a span of water that could be covered by the Harbour Bridge dividing the two countries. What would be the result? The newspapers would announce the fact in even bigger headlines than the latest murder and suicide, and even their intelligence would allow them to see the opportunities. The surplus population of England would say, "Here is Opportunity. Let us develop this amazing asset that now lies at our very doors." Australian primary producers would say, "Here is an enormous market at our doors to absorb all our products." English financiers would say, "Here is an opportunity of investing this vast credit that we don't know what to do with." The joining of

the two countries would create a racial and economic security that could defy the world for all time.

The same result can definitely be obtained with both countries remaining in their same geographical situations. The boast that oceans unite and don't divide can be proved to reality.

All that is necessary is for a realisation by the two peoples of what they have got to offer to each other. With proper recognition of this position, Britain could disregard the rest of the world, and Australia every other market but Great Britain. Until this is realised all the talk of reciprocity in both countries is mere political clap-trap, and each country has to continue to deal in the best market that its isolated condition affords for both purchase and sale.

With the principle recognised, Britain could be almost immediately relieved of her problems, and Australia could forthwith enter into a period of the utmost prosperity, and within a decade be safe for all time from fear of Eastern aggression.

The consummation of such a policy naturally calls for the best brains of the community. It requires organisation equal to that of an army. But in this case, the objectives could be peacefully gained without the wastage of war. The settlement of the British surplus population and all money required for that purpose would be found by England. For here it would be an extraordinary good business deal, and for us it would mean immediate prosperity.

This is no idle vision—it is definitely possible of accomplishment.

The late war has trained many men in both countries to carry out its details, to guide its development. It can never be done while the Government of both countries is mainly directed to pandering to the local reactions of masses of unorganised constituents. Look at the effect that the undertaking of such an idea would have on Australia!

The preparation for a larger population and for the progressive development of the country would put labour at a premium in a few weeks. The money that would be

introduced for the purpose would be brought in as shareholders' money, and not the further pledging of the national asset to London financiers. The introduction of a million families with £1000 per family (that is, double the investment per worker in British industry), properly spent, would produce income-earning assets equal to our present national debt. Another feature of importance of development by this means is that it would not mean the radical alteration of the balance of our population, as would be necessary as outlined in the last chapter in tackling the problem purely as an internal one.

Even the proportion of non-producers, if they could be cajoled to work, would by degrees equal a more equitable proportion to the producers. The artificially created population of our cities could be employed in real jobs.

The acceptance of the development of Australia by Britain postulates the real Empire spirit. The stupid and ignorant cry of "Australia for the Australians" would have to be scrapped for the useless jargon it is. Racially, Australia would be all the better, all the sounder, for a large influx of British blood. It would also call for a similar attitude in England. The "Little Englander," with his ignorant provincialism would have to educate himself and forget his quiet superiority as something not worthy of an Empire spirit. The undertaking of our British-Australian Development scheme would naturally have its reactions in many quarters. It would not suit numerous interests, and would produce many complications. But this is so in the case of every big undertaking. The thing to bear in mind is the first principle of war, the maintenance of the objective, and the objective here is the safety and the prosperity of the two countries, and it would have to be maintained without deviation in spite of all opposition.

It can be done! And it must be done! And it will be done if the present populations of England and Australia are worthy of the responsibilities that are cast upon their shoulders.

What would Germany do if she were suddenly made a present of this Continent? Would she merely sit and look

at it, or would she use her whole national resources to develop it for the good of all concerned, and incidentally, free Europe from the shadow of another war?

Again I say, no inefficient people ever remained masters of a rich territory for any length of time. There is no doubt that we are, in relation to our asset, a weak and inefficient people.

I have indicated the only possible principle of development, and it is up to all of us to work to that end.

CHAPTER XI. GOVERNMENTAL FINANCES AND TAXATION.

"That blood already, like the pelican,
Hast thou tapp'd out and drunkenly caroused."
—"Richard II."

There is no difference in effect between a spendthrift individual and a spendthrift Government—It is small consolation to be robbed by a Socialistic Government rather than by a Despot.

Did any bankrupt admit to the same prodigality in his private affairs as do our Governments in the administration of public moneys, his certificate would be refused for life.

And were any trustee to commit similar breaches of trust in respect of the funds committed to his charge as do our legislators with respect to revenues raised for specific purposes, he would serve a long term in a State Penitentiary.

As a matter of common sense, I am quite unable to see how there can be any difference in principle between the administration of finance by an individual or by a nation.

And no one with any degree of understanding can suggest that there is. Yet a Government can waste millions every year, and the Party Press that dares to pretend it is responsible applauds the Treasurer for his economy. To say that any Australian Government wastes millions every year whatever its Party livery, is merely to be platitudinous. Everyone knows it. Few even enter a protest, because it is realised that the Party machine is out of control of the people, who can merely look on. On the other hand, the tacit acceptance of the average individual may be due to the fact that he does not grasp its significance. Were you to tell him (which is the case) that it meant so much out of his own pocket, he might sit up and take notice. Were John Citizen to realise that Government extravagance had directly deprived him of a holiday to the seaside at Christmas, or a new lawn-mower for his garden, his indignation would know no bounds. The trouble is that the elector, as

a rule, only interprets policies in prospect to apply to his own particular case, and never analyses the results of policies.

If an individual is a spendthrift he is generally unable to live on his income. So he raises money on his property, and in turn more money to pay the interest. Ultimately, the amount borrowed is nearly equal to the value of the property, and one of three things must happen—either Mr. Spendthrift turns over a new leaf, works hard, and makes a fight of it, or he leaves the burden to the next generation to bear, or his property passes into the hands of the mortgagees.

Australian Governments have consistently borrowed money to waste it in a manner that should involve all concerned in penal servitude; they have consistently borrowed more money to meet the interest, and they would still be doing so with the same careless rapture had not the world depression mercifully intervened to save some of the Equity of Redemption in Australia for future generations.

This "Advance Australia Money" slogan of the post-war Governments created an utterly false system of national development.

Too many were but industrial hot-house plants that could not withstand natural conditions. Population continued to grow where the spendthrift Governments spent the nation's patrimony—in the big cities where the lights were bright and picture palaces handy.

Spain, in the eighth century, was an easy prey for the Moors because of the profligacy of its rulers. The historian tells us "that in eight short years Witiza, the Wicked, taught all Spain to sin."

In ten short years (1918-1928) the criminal profligacy of Australian Governments gravely injured the morale of the people, and changed them (but temporarily, I pray) into a rather contemptible race.

So in all earnestness I say the Depression will, if we can pull ourselves together, be regarded by future generations as the salvation of the country.

What infuriates me is the obtuseness of my fellow-countrymen, who seem content to permit the Old Gang to

steal back into power and to bluff and bluster that they have saved the country. It is something the same as a man who deliberately sets fire to a house, seeking to escape liability by saying it was he who rang up the fire brigade. But my simile doesn't go far enough, for the politician would have one believe in such a case that it was he who saved the house from being burnt down.

A confidence man would not seek to sell a "gold brick" to the Mint; he would know that his fraud would be too easily detected. He would try it on individuals of whose intelligence he had a poor opinion.

Neither the politicians nor the Press would dare to mislead the public on matters of public finance if they did not have a contempt for the same public perspicacity.

Yet here we are, after four years of depression, with about one hundred millions which must be added to the national debt of approximately one thousand millions, and nothing to show for it.

That is the whole point—nothing to show for it!

This brings me to the very vital consideration that money wasted by a Government is lost to the country in the same way as money wasted by an individual is lost to the individual. Money wasted has to come out of either capital or income. If out of capital, the amount has to be charged on the private asset of the individual or on the national asset of the country. In either case the asset is to that extent alienated. It can only be paid for out of new wealth which would be an additional asset had it not to be paid away.

In dealing with income wasted, it is clear in the case of an individual that it's gone, and with a nation the effect is as it is a contribution from industry that goods of an equal value are merely destroyed almost to the same degree as if they were dumped outside the three-mile limit.

In mediaeval times when a national project, such as a war, was decided upon, industry paid for it as a rule in kind and not in currency. For instance, in 1339, when war with France was the chief national occupation, the barons granted to Edward III. the tenth sheep and fleece and lamb. About the same time Parliament granted an aid of thirty thousand

sacks of wool. In other words, of the wool produced and of the sheep and increase the proportions mentioned went out of industry for a public purpose. If the enterprise resulted in added territory from which tribute could be levied or loot taken or a market created, the wealth devoted to the purpose was not lost, but was the means of helping to secure a more or less profitable investment. If, on the other hand, the campaign was a failure, the money went in paying and maintaining an army which produced nothing in return.

It is the reduction of taxation to currency that has confused the mind of the average man as to what really takes place. Few appreciate that the modern taxpayer is in effect the bondsman of the Government for a certain portion of each year. The manufacturer who pays, say, 5/- in the £ direct taxation, in effect renders to the Government 25 per cent. of the net goods manufactured by him during each period of 12 months. The doctor who pays a similar tax on his income is an unpaid galley-slave for three months of each year for the Government.

And so it is that every direct taxpayer is in reality as much a vassal of the Commissioner of Taxation, paying scutage as ever was the case in feudal days—but with this difference—in feudal days all “aids” (i.e., taxes) were paid largely in produce, labour or service, and even the uncompromising Norman baron only demanded a share of something actually in existence; he did not, like modern taxation authorities, make impossible demands on hypothetical incomes. Even when the Baron tortured the Jews to disclose the hiding-place of their riches he was betting on a certainty.

It is not, however, the amount of taxation or even the way in which it is assessed that rouses the taxpayer’s greatest resentment. Were it necessary for national salvation or for individual succour no man worth his salt would complain. The source and depth of the indignation is that direct taxation is raised to be squandered in maintaining hosts of unnecessary departments and in soul-destroying wholesale bribery called social services.

It is idle to pretend that taxation of the type we all suffer from is imposed by the general will—that it is demo-

cratic—when the fact is that we are governed all the time by one of two minorities who have no more sympathy with the majority of the people than did Louis XVI.

All will concede, I have no doubt, that every penny paid away in direct taxation is lost to the producing community. For instance, the doctor who pays taxation is deprived of spending power to that amount.

Had his taxation been lighter he might have purchased another suit of clothes or employed another servant in his home, or built a new room on to his house.

Each one of these acts creates employment among those who are engaged in occupations that in their very nature bring about reciprocity. It is a fallacy to imagine that the same money devoted to taxation and spent by unnecessary non-producers has the same effect.

One might as well say that it is the same thing to divide 20 shillings among 20 men as among 30 men.

Moreover, if the 20 men are producers of goods or services in a properly-balanced community, the money will not be lost; but if the extra ten are non-producers, their communal effort is valueless, and they have to be fed and clothed by the other twenty. The national income is the aggregate of wealth produced, and a country cannot be any richer because the first-fruits are enjoyed by a big section who take no part in the task of production.

When one reviews the political past of this country, one calls to mind the denunciations of the early Socialists against "dead-heads" in the upper classes, "blood-suckers," and the like. It is astonishing that in their just endeavours to secure for their class a more equitable share of wealth produced in the form of higher wages, these same Socialists should have played a leading role as part of their objective in creating "dead-heads" and blood-suckers," to form a new despotism compared with which the old was hard-working, responsible and humane.

Indirect taxation, whatever its form (quite apart from the wisdom for fiscal or other reasons of the particular imposition) has almost exactly the same effect.

It raises the cost of commodities so that the purchasing

power of employer and employee alike is lessened to the extent of the increase. Whether the tax is on raw materials or finished products it raises the cost of production, and this is passed on progressively through the channels of distribution. It can never be overtaken by increased wages so as to leave the boss or worker with the same ratio of purchasing power. The reason is simple. To increase wages to a point when the same amount of any product could be purchased as before the tax was imposed would automatically increase the price of the same article in the hands of the retailer. The end is, therefore, defeated by the means employed.

In speaking caustically of the non-producer, I refer of course to the "unnecessary" non-producer. As explained in the Chapter on Civil Servants, I naturally realise that a certain non-producer class sustained by industry is essential to carry on the machinery of government, whatever form it may take.

I emphasise, however, that so great a burden on industry is any non-producer class that for a variety of reasons it must be restricted to the smallest possible number capable of doing the work.

I challenge any man in possession of his faculties to dare to justify the wicked folly, in a country like Australia, of dragging ~~tons~~ of millions of pounds sterling each year out of industry to be wasted on the vast army of unnecessary non-producers of all ranks, sizes, and descriptions.

Leading articles to the contrary may be written every day of the week, but even were they by journalistic equivocation or conservative casuistry to convince weak-minded readers they cannot alter the facts, which are indisputable.

The Party System with its scandalous record of taxation places us in no better position than if we were under the domination of a victorious invader levying annual toll as by right of conquest. We would fight to the last man in such an event rather than submit, but we hardly raise a protest or seek a constitutional solution of so insupportable a burden and injustice, because we are told we are a Democracy.

The Consolidated Revenue Account gives rise to more

breaches of trust than even a "Democracy" can stand for. It can have no legitimate justification. Politicians are quasi-trustees for the people, and the money they raise for specific purposes is impressed with a trust, and should be treated accordingly.

As mentioned earlier, there is no reason that I can see why the financial side of government should not be treated in the same manner as a business undertaking.

After all, government should be an integration of collective interests with its economic mission to fulfil. It should make the nation, while preserving full freedom of private enterprise, one big business undertaking.

As democracy is interpreted by the Party System, it is the triennial election of absolute rulers (in form but not in fact) by mob emotion and mass greed, beside which the choosing of a chief by a band of aborigines is a model of constitutional and orderly government.

But let us be optimistic for the moment and pretend that the Government were administered as one big business undertaking. What then would be the principles on which to proceed?

First of all, it would cut its administrative overhead to the lowest possible figure consistent with efficiency. (Note: Just as too heavy an overhead kills a private enterprise, endangering the job of the operative and rendering impossible a dividend to shareholders, so too high a national overhead prevents a country being prosperous.) This overhead, being an annual charge, must be paid out of income, not charged to capital account.

Overhead must be restricted to a sum that can be comfortably borne out of income, and if there is not sufficient income, then the debt must not be incurred.

Income revenue should be a charge on the profits of industry, not the losses of industry.

Secondly, there must not be any capital raised or issued except for an object for which capital can properly be applied.

By capital I mean any sum which is a charge on any revenue subsequent to the year then current; in other words,

any hypothecation of future revenue.

To date, our borrowings have been negotiated on the security of what our politicians refer to as "potentialities." The money borrowed is never expended for the purpose of changing "potentialities" into "realities." They remain as potential as they were in Captain Cook's time, and the money raised is spent as though it were income.

In a private Trust the Equity Court jealously guards the interests of infants born and unborn. A Judge, enriched with experience and knowledge, and of undoubted integrity, carefully weighs and considers any proposal put before him that may affect the interests of minors, and will not sanction any proposal that might possibly prove to be adverse to such interests.

In the Public Trust of the Nation no such wise or restraining mind exists, and the politicians make merry with the assets of unborn generations, and hardly a murmur of protest is heard from the ranks of the electors comprising this high-minded democracy. I say in all seriousness that in pledging the undeveloped capital assets of the nation for current expenditure, Governments and their individual members are as morally culpable as life tenants of a private settlement who falsely pledge the remainderman's share; and, what is more, the security, being tinged with fraud by both borrower and lender, is no better. What is the security behind any Commonwealth stock? Simply a blind faith that Australia will, out of revenue, pay the interest and be able to convert when the bond falls due. The act of cancellation by payment is not even visualised, and is merely left as a backhanded legacy to unspecified generations.

I would be interested to learn actually how much of our thousand million national debt is represented in what politicians so glibly describe as "reproductive public works."

It must not be thought for one moment that we do not need more capital.

The development of the continent needs the introduction of capital to an amount that would make the National Debt look small indeed.

But in the main that capital must be introduced, must

be shareholders' capital, and not money from the pawnshop.

Were Australia administered with the efficiency of a private corporation of standing, every penny needed would automatically pour into the country, and the National Debt would be rapidly paid off out of increased revenue as the result of greater wealth-production.

Any loans that might still be necessary for legitimate purposes would be gladly provided by the people, and there would be no need to export millions of pounds worth of goods to pay interest bills abroad. And were public loans utilised to finance employment and industry, instead of unemployment and thriftlessness, we would all regard Government Bonds as an ideal investment, and one on which interest would be provided by the borrower instead of by the taxpayer.

To demand that a Government in its financial administration should act with the economy and prudence of a responsible business man in the management of his own affairs is no counsel of perfection.

It would be easy of attainment, were our Parliamentary system designed to select able men to be our rulers. While the unorganised mass are the electors, to expect sane administration is as vain as crying for the moon. Under the Corporate plan it logically follows, as will be demonstrated when it is established.

CHAPTER XII. A CHARTER OF JUSTICE.

The individual is entitled to protection against administrative and executive injustice. The basic principles of freedom are eternal—they do not alter with political exigency. A code of practical ethics—objective morality—must be drawn up to safeguard the rights of the individual.

The individual must have a guarantee of his basic rights and liberties, even as against a Government of his own choosing.

Neither government by the general will nor the right of the majority can ever be stretched to permit of an invasion of the individual's right to the protection of certain fundamental laws based on objective morality, which should at all times regulate the conduct of individuals living in a community. The only exception to this is war, or emergency of like character.

The history of the English people shows that at certain crucial times the people, suffering under injustice, demanded the recognition of the limitation of the ruler's power (be the ruler King or Parliament). In effect, the people on those occasions said: "You are constituted authority, and we'll obey you; rule as you deem prudent; but there are certain things you will do, and there are others you will not do." A list of these "do's and don'ts," preserved for us to-day, forms the basis of our liberties, or what is left of them. The evolution of popular government misled the individual into believing there was no longer need for vigilance. It was quite naturally thought that though a King might, to suit his own desires, quite cheerfully trample on his subjects, their rights and liberties, a Parliament elected on the theory of representation by the clamour of the conglomerate mob would never be guilty of such base treachery.

It was assumed that such a Parliament would be the

very soul of Magna Charta, the Bill of Rights, and the Petition of Right all rolled into one. And so these foundations of individual liberty were forgotten for all purposes other than history lessons for small boys and girls. In coming to this conclusion, two things were overlooked. One was the growth of the Party System, and the other how the best-intentioned acts of groups of men have a habit of producing results entirely contrary to those designed. "A statute which this year embodies a fact next year may prescribe a bondage." The individual is at this moment suffering the boomerang effects of masses of social and industrial legislation that have re-forged the very chains it was designed to break.

A world obsessed by the social and commercial results of the swift development of the machine age concentrates all its thought in dealing with these results, disregardful of principles underlying the measures adopted as remedies. Employer and employee are engaged in an interminable struggle over the division of the spoils accruing from new and unthought-of wealth production.

Mankind automatically divides itself, both politically and industrially, into arbitrary classes, while socially those round the border-line of the two scramble desperately at the sacrifice of standards of decency and independence, to identify themselves with the upper class.

Politicians, in their zest for power, play to the class and forget the individual. They fool the mass by making presents to the people of their own money.

And so the individual fades out of the picture. The individual himself, though, does not emerge scathless. In his insane rush to absorb a class outlook, to be guided by mob opinions, and to make material advantage his god, he completely forgets his own rights and duties. He forgets that national character is the outcome of personal character. He places his faith in class legislation, and lets leading articles form his opinions.

It is not surprising, then, for us to have to face the fact that a Charter of Liberty is as needful to-day as it was at

Runnymede. "They have given me four-and-twenty over-Kings!" cried John in a burst of fury, when speaking of Britain's first Parliament of 24 barons, appointed at the time of Magna Charta to insist that its terms were duly performed. What we need to-day is a similar number of over-Kings of Parliament, whatever its form, in the shape of basic principles to protect the individual from administrative injustice and the insolence of office.

Speaking of Magna Charta, which has been aptly termed the groundwork of English liberty and the monument of English freedom, it is interesting to remember that it was discussed and agreed to in a few brief days.

The barons knew what they wanted. Their ideas were clean-cut and definite. No Royal Commissions, no investigations by Chartered Accountants (Aust.)—(don't forget the "Aust.")—at so many guineas per day, disgraced or embarrassed or delayed that mighty achievement. The barons knew what was right and what was wrong. We have entirely forgotten, and seek to compromise by floundering in a mass of irrelevant detail, and by pretending that wisdom can be substituted by hopeless irresolution.

It should also be borne in mind that the Charter provided that "no scutage or aid (other than customary feudal aids) shall be imposed in our realm save by the common council of the realm." On this momentous provisions rests our whole Parliamentary life. It was this right of self-taxation that England fought for under Earl Simon, as she fought for it under Hampden. (Yes, Englishmen did fight once upon a time for what they thought right.) "It was the establishment of this right which established English freedom."

If you have any shred of understanding left in your funny old suburban mind, ponder on this, and ask yourself the question: "Has Australia the right of self-taxation by the free representatives of the people?"

If you can think straight, you will not only have to admit that we have not, but also that we are in this vital matter far behind our semi-barbarous ancestors, who lived in what we are pleased to call the Dark Ages.

Australians must have their Charter as an early act of reform. A Charter declaratory of the status of the individual and a limitation of the powers of government.

And note this: All the main English Charters were declaratory, not remedial.

We all at times read about or boast of the Rule of Law. As a law student, one reads the elements of the Rule of Law from the pens of eminent constitutional lawyers of the late nineteenth century. The laws and conventions of other nations are cited to show how inferior they all are to the British ideal. We learn with pride and thankfulness that while "unhappier lands" seek to protect themselves by rigid constitutions unalterable by irresponsible Governments, we of British origin depend on no such "inky blots and rotten parchment bonds." We depend on the character of our legislators. Heaven help us!

We learn that the Rule of Law, that mixture of tradition, convention, statute, and common law, forms an impenetrable bulwark to individual liberty. And then we grow up and wake up. We find that the Rule of Law is as dead as Julius Caesar. That while of the latter there are still busts and statues to remind the tourist, and *De Bello Gallico* to worry the schoolboy, of the former there are but a number of precedents, almost like legends, to enrich history, but which have no application to-day.

There has crept into being, aided to life by the Party System, an impersonal form of Despotism somewhat akin to the *Droit Administratif* of France, but lacking that code's national sanction or its counterpoise in a nation of logical individuals. Under the Rule of Law the right of the crowd, of the department, and of the official is no greater than the right of the individual.

Australians truly need a Declaration of Individual Rights to protect them now that the Rule of Law is but a memory. We should have the individual protected from the arrogance of the Taxing Authority, who is permitted by statute to inflict fines and use discretionary powers as between himself and the taxpayer.

We require it to be fundamentally laid down that there

shall not, under any circumstances, be taxation of capital, but that income, as the basis of capital, shall be fairly defined so as to render unlawful any strained or unjust extension of the term.

Moreover, as in Belgium, it is essential that it be put beyond the powers of Governments to commit acts of confiscation without adequate compensation.

Then, too, the right of public meeting so clearly laid down by eminent English jurists should be made part of the clear, definite, and unalterable law of the land, even if it should curb the ambitions of aspiring police officials.

To introduce a novelty in Charters of Liberty, the maximum Budget for running costs should be limited to a fixed percentage of the national income of the previous year.

In short, the individual who works should know with some degree of certainty what kind of a country he is living in, and what treatment he can expect.

It is unjust and nationally unsound that we should live in uncertainty as to whether the next three years will produce in the form of a ruler, a knave, a fool, or an iconoclast to wreck the care, the thrift, and the industry of a lifetime.

After all, it is only asked that the rules of fairplay and justice (which are eternal) should in normal times regulate the actions of "Representative" Governments.

CHAPTER XIII. FINANCIAL INSTITUTIONS.

"Give Credit where Credit is due."

The controversy raging round the questions of Nationalisation of Banking, Socialised Credit, and Finance is characterised by the crooked thinking so typical of the treatment of all Australia's national problems.

Some protagonists of private banking, on the one hand, would have one believe that our banking system is synonymous with all that is self-sacrificing and noble, and not only responsible for every good development in our daily life, but that it has earned the reward of immortality in an earthly capitalistic paradise (it not being competent for a corporation to aspire to similar elevation in a spiritual one).

On the other hand, Mr. Lang, Mr. Scullin, Douglas Creditites, some few who may have suffered, perhaps unjustly at the hands of the banks, and have smarted under the insolence of some bank officials, and those who hope that a change in the system may mean something for nothing, seek to lay at the door of the banking system the responsibility for the whole of the world depression as being the direct result of diabolical conspiracies intended to bring the working class to its knees.

There does not appear to be any third school of thought which, unmoved by sentiment, bias, or material advantage, is prepared to regard the problem in the light of the facts or with any degree of practical analysis.

The pity is that the subject is not open to fair-minded discussion and consideration.

To the public mind there is only one of two arbitrary views to adopt—one is either "for" or "against."

Neither of these attitudes appeal to me, so it will be my endeavour to regard the question from a national point of view.

At the very outset I must record my disgust at the series

of unfair and ridiculous attacks levelled against the associated banks during the recent election campaign. The attacks have been directed by people who have no knowledge of their subject, or else a small regard for the public intelligence.

Anyone with a close acquaintance with our Banking System must surely admit that the Australian banks are admirable institutions.

From the point of view of shareholders they offer a profitable and hitherto gilt-edged class of investment.

From the standpoint of directors, they are almost entirely highly respected citizens, and to be a member of a Bank Board is unquestionably the badge of success and respectability.

From the point of view of employment, the banks make a big contribution. They offer an honourable avocation to those who do not ask too much in this world, and at the same time provide a few plums for those who either have outstanding ability or who are adepts at playing "the man on top."

From the point of view of the depositor, the bank provides a safe repository for the employment of liquid funds, and when times are good, the seeker after credit with reasonable security and a decent character will find both courtesy and accommodation.

As the system stands, the banks not only keep within the letter of their legal rights, but as an almost invariable rule have shown consideration amounting to the utmost leniency in almost every genuine case.

It is not to any of these aspects that I address my attention. The only criterion from my point of view is whether or not the banks fulfil efficiently the function—I may call it the essential service—of providing necessary and adequate credit for the development of an undeveloped land.

The banks have been asked or allowed to do too much. They have been leaned on by Government and individual alike to provide the National Credit from strictly limited resources. They are expected to finance Government current expenditure, to underwrite Government Loans, to pro-

vide the wealth-producer with a large quota of his capital, and to provide finance for practically every activity while still carrying on the business for which they were really formed—that is, mercantile banking.

The system that has grown up from quite early days of Australian banking of lending against the means of production—that is, capital assets employed in industry—on conditions that allow these advances to be called up at will is wrong, inefficient, and must be clearly and definitely stopped.

While I admit freely that the banks, in the main, during the depression have shown the greatest circumspection and moderation in the exercise of the undoubted powers placed in their grasp by the conditions of the overdraft system, I cannot accept this as any argument whatever.

The plain fact is that the very nature of the relationship between banker and customer is such that at any moment of financial stringency the power that is automatically placed in the hands of a few men located in cities greatly intensifies the hardship of any temporary restriction in financial circles.

It is the uncertainty of what the banks will do, or refrain from doing, that largely undermines confidence and restricts the ordinary course of business. It must surely be clear to everyone that in any exporting country there must from time to time be years, or groups of years, in which the exports, by reason of either price or quality, produce a much decreased aggregate sum.

Our present system of financing these industries by the overdraft system automatically means a financial stringency, reacting on the whole of the economic structure.

The present so-called depression is eloquent of the fact that no man on the land was worried as to food or clothing for himself or his family, or for any other element necessary for a comfortable existence; what he feared most, unless he was independent of the moneylender, was what the bank would do.

Even if he were himself free from any financial obligation to a banking institution, the fact that so many others were in their hands reacted on the capital value of his hold-

ing, and naturally caused a feeling of doubt and uncertainty and lack of confidence.

I go so far as to say that if the present system of financing the capital assets of industry is continued, Australians can look forward to a series of slumps, co-extensive with the fall in the price volume of annual exports from time to time.

I fail to follow what Mr. Lang and his fellow-proletarians have to complain of in our banking system. It has certainly financed Government extravagance with the depositors' money, both in subscribing to loans and in the purchase of Treasury bills. If anyone has a cause for complaint it is the employer class, notably the graziers, who for generations have been turned off the land in large numbers every time there has been a slump.

Again, from the national point of view, it is quite wrong that any bank manager, either of his own volition or from instructions higher up, should have the authority to do irreparable injury to the country by closing down industries that produce wealth and give employment. The hotch-potch of Australian society to-day, mixed like plums in a pudding, is a direct result of the overdraft system.

Take the owners of property, say, in 1893, and see what happened to so many of them. Few of those dispossessed or their offspring have regained their former prosperity. The system has to this extent been a useful auxiliary to Mr. Lang, so he has but little to complain of.

I am not speaking as the politician does, without a knowledge of the facts; but what I say is the result of a very extensive experience with banking conditions gained in my profession over the last ten years.

During the present depression I have seen industries paralysed, not only by their credit being stopped, but by demands of repayment at a time when it was clear to all that such an action was physically impossible.

The result of the inevitable receiver being placed in charge of the undertaking was all too often a sacrificial sale of the assets. In many cases the bank lost heavily; unsecured creditors to a greater degree; and the lifetime savings of

hard-working, well-intentioned citizens were absolutely dissipated into thin air.

These citizens, probably too old to reassert themselves when conditions become better, naturally become more or less permanent drags on the State, affecting the comfort of their fellow-citizens, and the safety, development, and security of the country.

I think it not unjust to say that the fear of censure by his superiors moved many a bank official to destroy the capital and the happiness and prospects of many a good citizen when there was no need to do so.

I am not going to advocate, however, the socialisation of credit or the destruction of the banks; that would be stupid in the extreme. But I do say that banks must be kept to banking, and not allowed to continue as general money-lenders, offering call loans against capital assets at compound interest.

Once money is invested in industry, and whether or not it is share capital or loan capital, it is nationally uneconomic that it should be able to be withdrawn at the whim of its owner. That money has entered into a partnership with management and labour, and it is inequitable without the agreement of its two inseparable partners that it should be allowed to destroy the industry.

The banks will render their contribution to the economic structure if they use their funds for the purposes of mercantile banking, that is to say, financing the production and distribution of raw materials and manufactured goods—that is to say, consumable wealth—and their securities must be restricted to the articles which they finance.

The provision of credit which involves the security of capital assets, such as land, plant, and machinery, must be governed by three definite, unalterable factors: Firstly, all such loans must be long-term loans; and, secondly, they must be at low rates of interest; thirdly, that interest must not at any time exceed a fair proportion of the value at current rates of the wealth produced on the security. There is nothing unjust to either party in such a proposal. The wages of capital—that is, interest—should never equal the total pro-

ductivity of the security. To say that it should, postulates an injustice to the producer of the wealth.

In every industry results must vary from time to time, and of the wealth produced there must be a fair and equal division, according to the rights of the different elements of production. The only limit I place on this principle is that the production must be efficient.

If a man is inefficient in his industry he is not an asset to the State, and consequently not entitled to the benefits that accrue to efficient production. There is no reason why banks or anyone else should not have a share, or even all, of this class of investment, but I know that if one asked a bank to lend on, say, a grazing property for a period of twenty years at an average return of, say, 3 per cent., the application would not receive serious consideration.

But I say that it is the producer that must in the national interest have credit on reasonable terms.

It is quite clear that our banking system makes its money from short-term business, but in the interests of the whole people it is the producer that must be protected and encouraged. He must not be regarded as a money-making asset for financial institutions. Where, then, is the credit to come from?

Now, it seems to me elementary that if Australia has in the past been good enough security for foreign interests to lend upon, and for the moneys borrowed to be wasted by politicians in extravagant, demoralising, and unproductive enterprises (in the main distributed as largesse to secure votes), the undeveloped national asset of Australia is more than sufficient backing for the necessary credit to be raised on the security of the country itself, through the operation of the Commonwealth Bank, to enable our population to develop our natural resources.

Surely such a system would be welcomed by the banks, since it would relieve them of so great a responsibility and their only doubtful class of investment.

By all means let the banks continue their legitimate business. They must be protected and encouraged as any other valuable private enterprise. But they definitely must

stop this vicious principle of controlling industry on the overdraft system. Let them within their resources transact all the business they possibly can, but they have no right to be the Monopolists of Credit any more than any other monopoly has a right to exist in Australia to the detriment of the people, be it sugar, flour, or any other commodity.

The effort from many responsible sources to remove this, that, or the other thing from "political control" is only a result of a justifiable loss of confidence in both our political institutions and the quality of our legislation. Under the Party System certainly remove everything from political control. Far better suffer it to be in the hands of vested interests, actuated by their own material considerations.

But once a system is evolved under the Corporate Plan, whereby the best are chosen for the task of government, and the cause is removed, then it is in the interests of all that national affairs of all categories be subject to the supervision, where necessary, of the authoritative State. One would indeed be foolish to advocate State control of finance as a socialistic function, but it would be equally foolish to suggest that the supreme authority in a civilised community should be without the power to intervene for the public good in the administration of an essential service.

Money or credit is an essential service, just the same as is the post-office. If this latter were to decide, through its officials, to limit communications to a point that it became a hardship on the business community, would anyone deny the right of the Government to interfere? Provided the State Administration is chosen from the best, it must have the unquestioned right to intervene in all matters where the safety, convenience, or welfare of the people is at stake.

Then there is another and more sinister feature of the banking system, and that is its overwhelming say under the Party System in the government of the country.

Quite clearly, financial institutions make a valuable contribution to the national life of the community. As well-run industries they are almost without peer. They are entitled to be represented in Parliament, but they have no right to seek to dominate the Government, no more right

to do so than have the professional union officials when it is their turn to assume control.

Under the Fascist Corporate System the banks will be given due and adequate representation in the National Parliament. Beyond that they have no say whatever.

The danger to-day lies in the fact that Bank Boards and Associations, in their natural anxiety to safeguard their shareholders' investments and to maintain the integrity of their depositors' funds, have had, by their very positions, placed in their hands a power out of proportion to either their ability as individuals or their national importance.

I would like to particularly stress that because the system may be vicious, it does not mean for a moment that the people who enforce that system are vicious.

In most cases the contrary applies.

All humanity is seeking to gain its daily bread, and at most the average man is merely a cog in the wheel. He is unable to visualise the machinery of which he is part.

Why, even some of the greatest crimes that have been done in the history of the world have been perpetrated by people as individuals entirely blameless, and mere cogs in the particular machine. The history of Christianity is one continuous affirmation of this contention.

CHAPTER XIV. OUR MASTERS—THE CIVIL SERVANTS.

"Nothing extenuate nor set down aught in malice."
—"Othello."

So much has been said by me on this subject, and so much more that I have never said has been attributed to me, that I feel that it deserves a chapter to itself.

Any civilised community must have Civil Servants. They are the necessary machinery to carry out the work of government.

In a tribe, the chief can, with but little co-opted aid, be the legislator, the executive, and the civil service. In the administration of justice he can at a pinch not only apprehend the wrongdoer, but be the judge, jury, and executioner as well.

When a community approaches the more complex structure of civilisation, the duties of government become correspondingly onerous, and the routine detail offers a career for a proportion of the population.

The careers so offered are highly honourable, and as such should be well paid and filled by men of intellect and high integrity. The Civil Service, however, with the development of Party politics, has deteriorated in quality as it has increased in numbers. The appointment to a well-paid civil service appointment—"a job in the Government"—is the coin with which the professional politician either pays for services rendered or retains goodwill in his electorate.

The trend of both parties to socialistic bureaucracy has multiplied departments in size and number to an extent out of all relation to the needs of the people, and has in consequence increased the cost of government to a degree that it is impossible for industry to bear. Then, again, the larger the number of Government servants, the greater their influence in politics.

And while, by additional social services and by the payment of political debts, their numbers are all the time being

added to, the sense of power engendered in the Public Service itself by its political significance causes its own leaders to forever be seeking more and more privileges for its members and the extension of its functions and personnel.

So to-day we have a great class of electors who produce nothing, yet with sufficient voting power to affect the result of almost any election. I have no real quarrel with any public servant. I recognise that the majority are decent, law-abiding citizens, who through mere chance have chosen, or have had chosen for them, a career in the Public Service, I realise, too, that many are cultured gentlemen whom I respect, and whom I trust will not misunderstand my generalisations.

My quarrel is with the system.

In the first place, from the viewpoint of the service itself, its unnecessary members render it inefficient. The spirit of service has been displayed by an over-sensitive interest in its own affairs, politically and industrially.

It is like an over-fed, under-exercised watchdog—touchy, soft, and uncertain in temper, ready to snap the hand that feeds it, and inclined to regard the household as a complement to its own existence. There are too many Public Servants, both in function and in over-staffing.

A simple, law-abiding, pleasure-loving people like us doesn't need one in ten to look after us.

And although at some time or another we all smart under the petty tyranny of the Civil Servant as a class, and regard with apprehension the ever-increasing delegation to the administration of judicial and discretionary powers, our general ignorance allows us to think that such things are inevitable, and part and parcel of all Governments, instead of realising that the Civil Service is only one of the over-grown children of an immoral system.

The only exception to the general trend to employ too many public employees is in the case of the police. These are, if anything, too few, and are grossly underpaid. The N.S.W. Police is a fine regiment controlled by N.C.O.'s. It does so want an extra officer or two with breeding, training, and tradition to make the force something to be proud of.

Its many little *gaucheries* are only the result of ignorance, and could be so easily cured.

But to return to the Public Service generally. We can pass over its general tardiness and inefficiency, the duplication of its functions, and its surly aloofness as being the slightest of its failings. Its great disservice to the community lies, firstly, in its expense, and, secondly, in the menace of its unfair political power. Who pays for the Public Service? The answer, of course, is—Industry.

How? The cost of government is raised by direct and indirect taxation. Each producer paying either tax must spread its cost on to his product or service. This means that in the industry there is less profit to distribute, and/or, in the case of the consumer, less purchasing power. In consequence, the standard of living is automatically lowered.

Then, again, every unnecessary man in the Public Service is a man out of production. In a semi-developed country this is tragic, because such a man is not only taken away from the work of development, but is on the debit side of the ledger, and is an actual charge against development.

It is surely a simple proposition. Suppose a farmer has an idle and extravagant family; it surely follows that less is produced than if the same family were hard-working and thrifty, and also the farmer, while keeping idlers out of the wealth produced, clearly has less for himself than if the family all lent a hand.

I'll pass over as needless and wearisome the formal proof of my assertion that the Public Service is grossly over-staffed, is largely unnecessary, and a staggering expense to a struggling community. We all know it. The question is what to do with them?

This is what I would do: First select from the cream of the service a sufficient number to adequately carry out the details of government. Pay them better salaries than at present, and guarantee liberal superannuation rights. Demand in return high efficiency, loyalty, and courtesy—or instant dismissal.

Secondly, scrap all unnecessary departments altogether, and let the space to genuine businesses.

Thirdly, as to those who, through no fault of their own, have been thus cast out of employment, treat them with the consideration you would expect yourself under similar circumstances—that is, put them in the way of earning for themselves a living as good as that from which they have been sacked, with the opportunity of providing a suitable competency for their old age. The course I recommend is set out under “unemployment,” and need not be repeated here.

Treat them generously in the way of grants of suitable land, and, according to age and circumstances, pay them half-salary for at least some years.

As I have remarked before, to be one of the landed gentry is the ambition and dream of all classes in other lands. Admittedly our land is good, and our climate superior; what is more, I propose the land should be given. All that is required is such a measure of industry and thrift as constitute essential elements of character in an individual of average type.

Under the Corporate System the Public Service is reduced to a minimum.

Each industry in administering its own affairs automatically relieves the State of the mass of detail which it is now the main task of the Public Service to do so badly.

The administration of Justice, Land Titles, Communications, Defence, and Customs would be the principal task of the Public Service. Politically, the Public Service is entitled to adequate representation, but not to dare to dominate, as at present.

Under the Corporate Scheme the service would have its member or members to represent it in Parliament and on the Council of Corporations.

Many people have said to me that Public Servants should have no vote, but with this I do not agree. They are entitled to representation proportionate to their national importance. As the work is, or should be, largely routine administration, their participation in National government should necessarily be inconsiderable.

In the Army the Staff is its Public Service. The irrita-

tion of the regimental soldier at the staff outlook and conduct is similar to the feeling that the average producer has for the Civil Servant.

The Army, however, has greater wisdom. Centuries of trial and error in the face of realities have bred a better understanding of human nature. Staff appointments in any well-ordered Army are not permanent. Officers are drawn from regiments, trained for staff appointments, and between terms of service therein are returned to their regiments. This prevents that smug aloofness that so often characterises the Administrator.

How much more human and understanding would be our Civil Servants were they to earn their livings in industry one year in every three, and learn what life in the "regiment" was like?

I have frequently been told that I am "tactless" in tackling so openly this problem—that I'll only gain the hostility of all Government employees, and seeing they are so politically strong, we can never win without their aid. In reply, I say that any man, Public Servant or not, who can take exception to my attitude on this subject is not worth any consideration whatever; and, further, that Australia will never be saved by insincerity or by following the politicians' precedent of "hoodwinking."

Australia can only be saved by fearless men facing the facts, and acting accordingly.

CHAPTER XV] OUR MISTRESSES—THE PRESS.

The twentieth century Borgia has poisoned the world with printers' ink.

As with the Civil Service, I feel that, despite numerous references to the Press in other chapters, it deserves a chapter to itself.

At the outset I desire to be acquitted of in any sense attacking a number of highly-educated, able men who occupy posts both in the editorial and administrative sections of the industry, and who, were they not mere cogs in a capitalistic enterprise, would be fitted by their knowledge and ability to render important service to their country.

I know that these men have to conform to the policy of their employers, or else lose their jobs. So that a journalist with a facile pen is merely a craftsman, making his wares to suit his market, or his boss's market, and more often than not surrounding himself with a callosity of assumed cynicism to square his conscience.

The journalist is another example of the social injury that an otherwise estimable citizen can do in faithfully and lawfully doing his daily work.

Without differentiating between any of the journals that in the aggregate form the somewhat abstract concept of what is called the Press, and without confining my remarks to either New South Wales or Australia, I do assert that the many injuries done by the said Press to modern civilisation greatly outweigh its several benefits. I say that, after giving full credit for all the good that can possibly be attributed to it, the Press is to-day a grave social evil.

Let us examine this virtual ruler of the destinies of mankind and see what it really is. First of all, it is an industry. It should be nothing more nor less. Its place in industry is theoretically the giver of a service for a monetary consideration.

Just as a train for the price of a ticket transports you

from one place to another, so a newspaper offers to furnish you with accurate news or other information to the best of its ability.

As an industry it has the same elements as any other industry—Capital, Land, and Labour.

It employs comparatively few; the capital employed is not very large in proportion to other enterprises. Yet it seeks, with the condemnation of democracy, to control the destinies of the world. It arrogates to itself the right to form the opinions of its readers on all public matters by carefully-worded articles and news items which are not always trustworthy. There is no Pure Food Act in this sphere, and the adulteration of news for public consumption goes on apace.

There has been no censorship of the Press in England since 1695, and, as far as I know, none at all in this country, so that the only limitation as to what appears in a paper is the well-defined principles of the law of libel.

Milton wrote with eloquence and vigour in support of the freedom of the Press to faithfully record the true facts and circumstances surrounding any happening. But the Freedom of the Press is now the unrestrained license of the Press to faithlessly misstate facts and circumstances.

No one would, I feel, be so misguided as to urge a censorship against the interests of truth, but few would object to such a control in the interests of truth.

As a youth I took what I read in the paper as gospel. The first occasion on which the demon of doubt entered my mind was at the war, when the "Daily Mail" was wont to give details of what was happening on the Western Front. It said "all was quiet on the Western Front." From uncomfortable experience I grew sceptical.

I particularly remember a series of articles in 1917 by a famous war correspondent (if my recollection serves it was Beech Thomas) entitled, "Crashing the Hun from the Air."

These articles, in effect, told of how the Allies had obtained such a superiority, through morale and equipment, over the German that if such a thing as a German 'plane appeared near the line it would be shot down in flames within a split second.

I used to read these articles lying under camouflage or crouching under a hedge while a low-flying German 'plane would leisurely do a survey of the front, and would turn a machine gun on anyone so unwise as to attract attention.

Urgent calls to our own service at that particular time seldom evoked a response of any kind.

Since the war I have had the opportunity of comparing actual happenings with recorded versions, and I fear that my scepticism of the Press as a news-recorder has increased.

Of recent happenings, the disgraceful riot caused by the police in Liverpool Street, Sydney, in 1932, offers the best (or the worst) example I know of Press misrepresentation.

The disgrace of that incident can be shared by its perpetrators, and by certain of the Press, which sought, as accessory after the fact, to hide the wrongdoers in a bundle of lies,

In June, 1933, having read in the English Press of the riots in Germany, and of the slaughter of the Jews and of general acts of lawlessness, I crossed the Rhine fearing the worst. I found cities and countrysides orderly and peaceable as in England. I found a courteous, industrious people, absurdly like ourselves, a little resentful, but generally highly amused at the misrepresentation of the Foreign Press. I even met Jews in Berlin trading under their own names, who hardly knew whether to be indignant or scornful of the Semitic atrocities they read about. In Berlin there were fewer traffic police than in Sydney.

Then the deliberate misrepresentation as regards alleged "breakaways" in the New Guard, proves the unreliability of the Press to demonstration.

But the gentle art of misreporting happenings, either by the crude falsehood of the gutter Press or by the artful literary equivocation of the more dignified journals, constitutes the least of the evils of the newspapers.

The Press has to bear a much greater degree of turpitude than that, and a much heavier burden of responsibility for the slackness of our moral standards.

It is when a newspaper, for its own purposes, seeks to mould public opinion that it ceases to be a public utility and becomes a sinister menace.

After all, it must be borne in mind that a newspaper is no integral part of social structure. Civilisation has waxed and waned many times without the aid or opposition of newsprint.

England had travelled a long way towards fulfilling her mission in the world before even "The Times" was in existence.

As an industry, a newspaper is but a marshalling of machinery, paper, and ink, plus a few operatives and technicians.

What right has such an undemocratic minority to influence the opinions and control the thought of the majority? Certainly not from any monopoly of brains, as a perusal of leading articles will prove; plainly not by sincerity of motive, as the political inconsistency of any paper in its advocacy of Party will demonstrate; decidedly not by honesty of purpose, as garbled news items clearly indicate.

Unquestionably, it is undemocratic.

Now, why is it sought to make up the minds of the public on matters of general interest?

The answer is to obtain power. A paper with a large circulation of controlled readers is like a shepherd with a flock of sheep.

Power of this kind in turn means added earnings through the really paying side of the industry—advertisements.

A guaranteed circulation enables the proprietors to charge accordingly for advertising matter.

To obtain guaranteed circulation, a popular newspaper must espouse the cause of one or another political party. Having done so, it becomes the mouthpiece of the party, and those who read it daily have their political opinions machine-made and cut and dried for them by this particular form of mass production.

Then, having the ear of a section of the electors, the newspaper proprietors find themselves in the position of

being able to dictate to the Party, which is either the Government or else the Opposition. And so its influence grows.

Naturally, every "daily," whatever its politics, is conservative in its desire to maintain the "status quo" of political organisation. A reformed State on the Corporate Plan would be suicidal to Press prestige and influence. Herein lies its antagonism to Fascism. This must necessarily follow from the abolition of the Party System and from each member of the public expressing himself politically through his own particular sphere of activity—in the latter case mob emotion, the greatest asset of the Press, would cease to influence national affairs.

Of course, in issues of national importance the Press would still be able to make itself felt, and probably on account of the removal of the reasons for baser motives its leading articles would be more worth while.

It must not be thought that I deprecate the written word as a guide to mankind. On the contrary, I realise that most modern reforms were instituted as the result of it.

But the reformer authors of the past wrote as they sincerely felt, and there was no editorial blue pencil to curb their ardour. It is no idle speculation to wonder if Charles Dickens would have got away with his exposure of the conditions of the Fleet Prison if he had been the contributor of a modern newspaper which supported the Government that permitted such scandals.

It is no good pretending the Press is not highly influential. I have always felt that anyone planning a coup d'état in this country could be entirely successful without a blow being struck, simply by contriving, by force or artifice, that leading articles in favour of the rebels should appear on the morning following the coup in each of the dailies.

The revolution would be a *fait accompli*; our sturdy citizens would open their papers and learn their lesson dutifully.

Speaking of leading articles, how Germany and Hitler would quail if they read the stern disapproval of our dailies? I say "if," because, of course, I don't suppose .05 per cent. of Germany's sixty-six million have ever heard of, let alone

seen, any of our Australian dailies, and if they did, perhaps they wouldn't be so frightened after all.

The enthusiasm of certain sections of the Press, principally evening dailies, for featuring murders, suicides, divorces, and such unsavoury, yet inevitable, happenings does not bespeak a very high conception of its duty to the public. More than anything else, it tends to distort John Citizen's perspective. He is apt to come to the conclusion that such incidents are of more moment than matters which affect the happiness and well-being of millions of his fellow-men. His taste for morbid sensationalism is developed, and his higher feelings atrophied.

I have no desire to be critical, but I must speak as I see. A Press in the control of high-minded patriots would indeed be a power for good. It is, however, of no avail to speak to me of the high purpose of the Press and of its dignity and influence while it remains a mere adjunct of the Party Machine, to gloss over blunders and derelictions of duty of professional politicians and to describe their puny efforts as the achievements of supermen, and while it diverts the attention of the multitude from things that matter by filling their minds with sensational nonsense and pandering on the American plan to their baser feelings.

CHAPTER XVI. NOTES ON THE PARTY SYSTEM.

It has no relation to Democracy. It is an abuse of the British theory of Representation. It is the cat that pulls the chestnuts out of the fire for the Vested Interests of the Extreme Right and the Extreme Left. The system serves as a sop to the vanity of the politically ignorant individual. Its life-blood is the perennial incompetence of the masses. It is the curse of Australia.

Democracy promises all citizens a share in the government of the country. "Press-ocracy" has given them a vote.

To give a vote is like giving the man in the back seat of a car a dummy wheel and pedals, and letting him think he is driving.

The Party System is not in any sense democratic, nor has it any relation to Democracy. Democracy is an ideal of government by the general will. It is a common fallacy to confuse Parliaments, franchises, elections, and the like with Democracy. At best they are merely machinery to carry out the ideal.

There is a very simple test to apply to any community to ascertain whether or not it is governed by a Democracy.

The test is this: Wherever and under whatever conditions the laws that are passed are approved by the people, and those laws that are disliked rejected, there is Democracy. But wherever, under whatever forms, the laws rejected or passed have no relation to the desires of the mass, there is no Democracy.

In order to give effect to Democracy, we have the theory of representation, and this theory is based on the practical impossibility in any community larger than a model village of all electors to express their opinions on any proposed law or policy. Therefore, through the centuries the practice has grown up of each community selecting one man as their representative, to speak for them on all matters

appertaining to government. The aggregation of these representatives is called a Parliament, where national problems are discussed between the representatives on behalf of the constituents.

Now, for any representative system to be democratic it must comply with three main principles:—

- (1) There must be absolute freedom in the selection of representatives.
- (2) The representatives must be strictly responsible to their constituents, and to no one else; and
- (3) The representatives must deliberate in perfect freedom, and especially in absolute independence of the executive.

If any one of these three conditions is not observed, the system in question, whatever may be its details or structure, fails as a democratic system.

Now let us look and see how this applies to-day. Having regard to the first condition, the candidates for election are foisted on the people of each constituency by one or other party without any reference to the wishes of the people who vote in the constituency. Even without interference by the headquarters of the political party, the choice of candidates who receive the endorsement of one or other of the established Parties is, in fact, the choice by minorities that have no legal status and no rights, to say to their fellow-constituents, who shall or shall not be selected.

Of course, the critic who regards the shadow as greater than the substance would say that there is nothing in our present system to preclude a hundred candidates if necessary standing for Parliament. But this would be a mere quibble. The Press and Party funds, two of the main constituents of the system, render it almost impossible for any individual not picked by the machine to have any chance of success where the opinions of electors are swayed by propaganda and their votes regimented by organisation.

"Go-getters" are held in abhorrence by the responsible business community. Their methods are anathema. Yet compared with the methods of party agents and their electioneering propaganda, the "share-pusher" is ethically as far

above them as the peak of Mount Everest is above the bottom of the ocean.

Dealing with the second principle, the representatives when elected are not to-day responsible to their constituents, but, on the contrary, to the Party Whip. The pledge that a candidate signs before being endorsed proves to demonstration that under the Party System it is impossible for a Member of Parliament to be responsible to his constituents.

Furthermore, seeing our politicians are professional politicians, depending for their livings on the retention of their seats, and these latter being wholly dependent on their endorsement by the Party, not their electors, it is impossible for them to retain an independence of mind, which is essential for compliance with the second condition.

The third condition, too, has no application to the Party System.

Here, again, the Party Pledge binds the members to the executive, the very body they are trusted by their constituents to control.

I fear this fact has escaped the attention of the majority of Australians.

The whole history of British Parliamentary development is based on the right of those citizens who pay the taxes to have a say as to what moneys shall be raised, and how such moneys shall be spent.

It must be remembered that the roots of our Parliamentary System are to be found in the village moots of Friesland, as imported into England with the English Conquest of the fifth century. The growth and co-ordination of the system after the Norman Conquest developed in the reign of Edward I. to a form of government in fact to which our present-day institutions are nearly identical in theory.

The Wars of the Roses suspended the growth of Parliamentary life, and, in addition, did it severe injury by robbing the House of Commons of its traditional independence and power, and the added revenues of the Crown made it almost independent of Parliament.

This was particularly noticeable during the days of the Tudor autocracy, and especially in the reign of Henry VIII.,

where the expropriation of Church lands swelled the direct revenues of the Crown.

Under the masterful domination of Wolsey, and later Thomas Cromwell, Parliament, in the reign of Henry VIII., grew to be a servile institution, very similar in spirit to our present Parliaments.

It had all the outward and visible appearance of being the representatives of the people, but notwithstanding sporadic assertions of independence, Parliament became, by the astuteness of its rulers, a mere vassal of the Crown.

The Parliaments of to-day, under the Party System, are vassals of vested interests, while the Crown, to all intents and purposes, becomes largely a fiction, and is too often a subject for patriotic addresses by those who merely use the bunting of the Union Jack as a becoming drapery with which to hide the insincerity of their motives.

But a study of the growth of English Parliamentary life from its very humble beginnings will convince anyone that the same vital urge is apparent throughout, and that is the insistence of a free and independent people to have a say in the government of their country, particularly where they are the direct or indirect contributors of the public revenues.

For both short and long periods during the course of that same history this urge appears to have been partially stifled by the dominance of a particular ruler, by the agony of wars, of civil strife, or other economic reason, only to reassert itself with increased strength at other periods, and often when least expected.

But again the spirit behind all this was not the loyalty to institutions, but the realistic understanding of the purposes of those institutions.

Except for a few isolated instances, Parliament always functioned, but the cause of the dissatisfaction that led to the notable declarations of individual liberty was the fact that the institutions were not being permitted to carry out their traditional functions on behalf of the people.

In Australia we seem to have attached our loyalty to Parliament without worrying ourselves as to the efficiency or purpose of Parliament.

I read, with a mixture of disgust and amusement, so many statements that are made to the effect that we must at all costs maintain the democratic institutions that our ancestors fought and bled for.

The fact is, of course, that generations of Englishmen fought for the ideal of representation which expressed itself in the institution of Parliament, and they fought against conditions which robbed Parliament of its freedom. They shed their blood that those institutions would be an actuality, and not a mere imposture. The control of Parliament by outside interests to-day would have in earlier times brought about another Pryde's Purge.

It seems to me to be a symptom of decadence that a people should so misinterpret their own history, particularly when the records of it are available to the humblest member of the community. During the periods when our Parliamentary System was striven for there were no such records, but the people did not need any, because they fought in a spirit of freedom that was in their hearts.

We, in our day, only cling like a slave to his shackles, and satisfy our vanity by pretending that the same shackles protect us, and do not fetter us.

Turning again to the relationship between Parliament and the Executive. The essence of the theory of representation is that the Parliament, as representing the people, should be entirely independent of the Cabinet, as representing the Government.

This relationship is in the very spirit of the system.

Historically, it is interesting to note in support of this that the Ministers were, until comparatively modern days, the appointees of the King. In theory we still call members of the Cabinet "His Majesty's Minister."

The ever-increasing strength of the House of Commons enabled it ultimately to wrest from the Crown the right of nominating the appointees to the various portfolios, and in my opinion it is at this point that the Party System was made possible.

Before this, the King, through his Ministers, represented the Government; the Parliament represented the

people to see that the Government did not trample on the rights and liberties of the people, but as soon as Parliament was invested with the right of recommending who the Ministers should be, then it gradually began to lose its representative character, and the foundations were laid of the Party System.

One can well sympathise with the reasons which led up to this. The unhappy choice of certain Ministers by the King for the time being, and the abuse of their office by such Ministers, made the representatives of the people in the Commons say, "Why not let us have the right of choosing the Ministers, and we will choose better ones?" At the time, no doubt, this seemed wise and logical, and had it not been for the gradual growth of the Party System, it might have remained a good thing.

At the present time it means that the strongest party in Parliament chooses the Ministers, and to retain their own jobs as professional politicians the members of the party are bound to support them. More than that, the Party pledge forces them to do so, and instead of looking critically at the action of Ministers and having a live appreciation of their responsibilities to the electors, they become tools of the Cabinet, and automatically pass or reject legislation in accordance with Cabinet instructions.

The Ministers forming the Cabinet, too, are not independent. They are subservient to the Party discipline and Party organisation, and must view all measures in the light of Party expediency.

To demonstrate that the Party System is only a vicious, yet ludicrous, imposture on a politically ignorant people, let us analyse what a Party is. Its constituent elements are as follows:—

Firstly, a number of professional politicians (that is, those citizens who seek their livelihood by nominally representing certain geographical areas in Parliament). This element is in itself quite incapable of obtaining its objective, so we will come to the next element—most vicious of all—Party Funds.

In order to obtain Party Funds, Element No. 1 draws

up a policy that it feels will interest the material ambitions of that section of the community from which it wishes to obtain the sinews of war.

Their offer amounts to this: "If you will subscribe to our Party Funds we will, on getting into power, bring in legislation which will have one of two effects: Either (a) it will positively make you more profits; or (b) it will prevent other sections from taking your present profits from you."

The moneys so collected are called Party Funds. Sometimes the representation is deliberate blackmail. For it has not been infrequently stated, in effect, that unless contributions are made to Party Funds, legislation will be brought in that will have a detrimental effect on the person or class that is being asked to contribute. For the purposes of raising this sordid fighting fund it is noteworthy that each party uses the other party that is in opposition to it as the "bogey-man." "The U.A.P. will make your conditions of living those of slaves," says the Labor Party when making a drive for funds amongst its adherents. "The Labor Party will bring in a Capital Tax," says the U.A.P. when seeking to augment its resources.

The more extreme the platform of one party, the more those in opposition chuckle and rub their hands. For they know that therein lies their certainty of adequate contributions.

Although there are certain notable exceptions to the rule, Party Funds are not used for the purpose of remunerating the political members of the Party. The Fund, on the contrary, is the capital of the industry, and is employed for the purposes of organisation and propaganda. In other words, it is the means used in conjunction with promises to regiment the votes of the electors to secure a victory at the polls.

Here let me point out that there are two sets of promises made by a Party—the confidential promises made to the givers of funds, and the election promises made to secure the votes of the people—and naturally there is a wide divergence between the two, unless through some strange set of circumstances the interests of the contributor happen to

form the basis of a suitable story to the electors.

Element Number 3 are the vested interests who provide the funds, but their association has been explained in dealing with the question of funds, except that I should point out that it is their nominees who keep the keys of the Treasury box, and it is their nominees who form the consultative council that calls the tune to which the politicians have to dance.

Element Number 4 is the Party Press that plays so highly an important part in making up the mind of the average elector as to what his political faith should be. I pass over the subtle relationship between the Press and the vested interests and large advertisers who support any particular party, and I have neither time nor inclination to discuss who inspires the leading articles which from time to time define the party's attitude.

I admit that it is quite natural that a newspaper should have views on matters of public interest, and that well-expressed, logical opinions are not only unobjectionable, but have an educative value to the community; but so much respect have I for both the ability and the learning of the principal executives of most daily papers that I would not insult them by imagining for one moment that the majority of their articles on political subjects represent their real opinions. I define Party Press as any newspaper that consistently maintains "My Party, right or wrong," and prostitutes its own intelligence and insults the understanding of the people by seeking to excuse and condone blunders, inefficiency, and extremely doubtful morality. No one can fairly disagree with me when I say that most of the daily Press in Australia are not only grossly, but ludicrously partisan to the interests they represent.

True, rebukes as severe as love taps are occasionally administered, generally with the object of fooling its readers that the Press is independent of party and the real champion of real democracy.

The very nature of a party precludes it from having any interest in national affairs. In solving the various problems that arise concerning the political industry itself, there is no time to even give heed to Australia or the Empire, ex-

cept where the introduction of a patriotic sentiment is a useful sugar-coating to enable the public to swallow some particularly unpleasant pill.

The strength of the Party System and its ability to continue its imposture lies in the way in which members of Parliament are chosen. Very few to-day would uphold the Party System, but they have no means of expressing their disapproval.

The system of regional representation, whereby thousands of people living in a particular area, mostly unknown to each other, and with no community of interest, once every three years choose their ruler by recording their votes as to which candidate is the best liar of those offering, makes the political public perennially incompetent to insist upon any Parliamentary reform. This fact is well known to the professional politician, and hence his bitter antagonism to any idea approximating the Corporate State, where the public is as organised for politics as it is for industry.

A simple method of testing the efficacy of the system from the Parliamentary point of view is to ask oneself the question: "Why the farce of Parliament at all?" The institution of Parliament is based on the theory that the representatives of the different sections of the people should meet together and discuss national questions. It is in theory the forum where each representative may put forward the views of his constituents, and may seek to persuade the others of the wisdom or unwisdom of any particular course of action or policy.

Persuasion is force, and it has been the force which has swayed freemen to deeds such as those which have made England what she is.

In the sixth century in England the folk-moot, hundred-moot, and the village-moot were conducted on this principle of representation. In each moot or council according to the historian, the priest proclaimed silence, the eldermen of higher blood spoke, groups of freemen from each township sat around, settling matters in the end by loud shouts of "Aye!" or "Nay!"

The only justification of Parliament is that it should

work on the same lines, and, in theory, it is supposed to still do so.

But if the Party System is right, then Parliamentary government is not only unnecessary, but, more, it is a deliberate sham and a cruel farce.

What a ridiculous thing it is to-day to see a Parliament opened by His Majesty's representative. All the ancient forms are preserved, pre-supposing the existence of Parliamentary government. Oaths are taken in ancient form by modern members with their tongues in their cheeks, the policy having been already decided upon, and the members are mere automata. Those policies can be altered, added to, or modified by minorities outside Parliament with the key of the party funds in their keeping. The pretence of debate is maintained simply to throw dust in the eyes of the people, and to gratify an uneducated desire for vulgar repartee. Parliament has been warped into an engine of oligarchy instead of being as designed—an organ of democracy. The effect would be the same if Parliament were closed up permanently. Once election results are obtained under the Party System the Government of the country would go on just the same if the members never assembled. They have given their pledges, and are mere counters. Their opinions are not sought, and the man with ideas is a liability rather than an asset. There is no relation whatever between the Party System and Democracy, either in theory or in practice; its results are entirely undemocratic, because it is a government by sectional interests, and has no relation to the general will.

But to my mind its crowning futility is its inability to think nationally.

Here we are, at a time when the major nations of the world were probably never more mutually suspicious of each other, utterly unprepared to defend ourselves; we are proving ourselves hopelessly inefficient in peace, and lack national direction and co-ordination. I have frequently been asked, if believing the Party System to be so outrageously undemocratic, and so out of keeping with the spirit of British Parliamentary government, why I do not seek to

reform it. The fact is, that the Party System cannot be reformed; it must be abolished. It is basically so unsound that it could never be made the means of good government.

Within the Party a reformer is a voice crying in the wilderness. You might as well expect a curate to join a gang of brigands who depend for their living upon the fruits of their plunder, and persuade them to be guided in their actions by the Sermon on the Mount, and in the face of knowledge that the espousal of such a code would expose them to death by hunger.

A Reformed Party System would mean starvation for a number of professional politicians, lack of power in the Press, loss of political dominance by vested interests.

The Party System must be broken by the creation of something better, and that something better is the Corporate State.

I have not the slightest doubt but that the Party System is crumbling; but like all systems of government, it will die hard. As a student of history I know that if Australians reproduce the same genius that the British people have displayed through the centuries in correcting national abuses, that the Party System will, in time, give place to its successor. As an individual, I admit impatience that it should have continued for so long, and that this period of our history should bear the stigma of having put up with it.

The question is: How long will it take to effect the reforms so long overdue? Though every system of government carries the seeds of its own destruction, they sometimes take a long time to germinate. What I fear is, that if we are too long as a people in waking up and courageously facing the issues, we will not at this crucial stage of the world's history be able to maintain the continent for ourselves, or as a part of the Empire.

As I have indicated in other chapters, to effect the necessary reforms the first step is to create the desire in the hearts of the people. In their minds the whole conception of government must be changed. It must be realised that the task of government is to represent, help, and

encourage the people, and its actions must be actuated by an objective morally based on the ethics of Christianity. The people will have to realise that the institutions of government to be worth anything must be truly representative of the general will, and not tools and playthings of fools and knaves. It seems to me that the Australian people are at the same stage of their national history as was England prior to the signing of Magna Charta. It will be for history to judge whether the British character in the Southern Hemisphere comprises the same turbulent intolerance of injustice, and the same positive insistence on personal liberty as was shown by those who brought King John to his knees.

If not, then our national history will be a brief one.